

Biloxi Marsh Lands Corporation

Financial Statements, Schedule, and President's Report

December 31, 2001 and 2000

All per share information does not reflect the 4 for 1 stock split effective June 1, 2004.

BILOXI MARSH LANDS CORPORATION
228 St. Charles Avenue, Suite 838
New Orleans, LA 70130
(504) 529-7169

February 20, 2002

To the Shareholders of Biloxi Marsh Lands Corporation:

We are pleased to report that 2001 was the sixth consecutive profitable year for your company. Total revenues for the year 2001 were \$1,502,370 compared to total revenues of \$581,202 in 2000. The revenue breakdown is as follows: 2001 revenue from oil and gas activity was \$1,103,445 compared to 2000 revenue of \$352,381. Dividend and interest revenue for 2001 was \$95,411, compared to \$119,511 for 2000. In 2001, gains on the sale of investment securities were \$279,094 as compared to gains of \$22,505 in 2000. Meanwhile, net earnings increased to \$780,438 or \$1.13 per share in 2001 from \$282,749 or \$.41 per share in 2000.

During the second quarter of 2001, Manti Operating Company completed two wells on Biloxi Marsh Lands Corporation's property. The primary objective of each well was the discovery and development of natural gas. The Biloxi Marsh Well No. 2 was drilled to a depth of approximately 8,050 feet and subsequently plugged and abandoned as a dry hole. The Biloxi Marsh Well No. 1 was drilled to a depth of approximately 9,691 feet. Manti, seeking to unitize the production in the Biloxi Marsh Well No. 1, filed an Application with the Office of Conservation. It appears from the data, used by the unitization consultants retained by Manti and made available in the unitization proceedings, that approximately 245 net feet of gas was found in two sands within the Cris I Zone. In late December 2001, Biloxi Marsh Lands Well No. 1 was placed on production. Based on the most recent production data in our possession, the well is producing natural gas and is flowing at an average daily rate of approximately 11,500 MCF with an average flowing tubing pressure of approximately 3,300 psi. The Company has a net 18% royalty interest in the lease covering the drill site location of this well. Under the accepted unitization plan, subject to an actual site survey, initially Biloxi will receive royalties from approximately 33% of the unit. The first royalty check is due shortly and we expect to receive a check each month thereafter while the well is under production.

Subject to resolution of adverse and competing title claims with other land owners and the State of Louisiana, we have been informed by legal counsel for Manti that the balance of the royalties under the unit plan (approximately 67%) will be deposited in the Registry of the Court for the Thirty-Fourth Judicial District Court for St. Bernard Parish, Louisiana (the Parish where the property is located) pending settlement or court resolution of the adverse and competing title claims. As a result of the claims made by third parties to lands owned by the Company and to a majority of the proceeds of production from the Biloxi Marsh Well No. 1, we have retained the services of the law firm of Gordon, Arata, McCollam, Duplantis & Eagan, L.L.P. to take the lead role and to work with our General Counsel, Charlton B. Ogden III, on resolving the adverse and competing title claims through negotiation or litigation. Accordingly, on advice of counsel, on Friday, November 2, 2001, a Petition for Possessory Action, styled *Biloxi Marsh Lands Corporation v. Mabel Isabel Molero Quatroy, Dorothy Louise O'Toole Benge, Patricia C. O'Toole, LAC Real Estate Holdings, L.L.C. and Carma*

Holdings, L.L.C. was filed in the Thirty-Fourth Judicial District Court for St. Bernard Parish, Louisiana seeking, among other relief, a Judgment that Biloxi Marsh is in possession of the lands. The lawsuit seeks an Order from the Court that leases held by the parties named in the suit be removed from the Public Records of St. Bernard Parish. On a continuing basis, we have instructed our attorneys to vigorously defend our title as to all lands in question.

During 2001, Gulf Exploration, Inc. paid the Company \$339,667 in order to maintain an oil and gas mineral lease covering 2,240 acres of company property. Included in these payments was \$200,000 received on December 31, 2001. This payment was owed by Gulf Exploration for its failure to commence drilling operations prior to the end of the year. Along the western shore of Lake Borgne in the vicinity of Proctor's Point, we granted Manti Operating Company a permit to conduct seismic operations and an option to lease 2,291 acres of company property. The company received \$ 57,275 from Manti for this permit/option.

We recently entered into a series of lease agreements with The Meridian Resource Corporation (NYSE: TMR). In January 2002, the Company received compensation in the amount of \$ 2,631,896 related to these agreements. Initially, the lease agreements allow Meridian to develop oil and gas prospects by completing 3-D seismic surveys over the vast majority of the Biloxi's property. At any time during the initial term of the leases, Meridian may select specific locations on which to drill by providing additional compensation to Biloxi. Meridian's agreement with Biloxi is part of its recently announced "Major Exploration Expansion" covering over 190,000 acres including 82,132 acres of Biloxi's property. Biloxi's management is pleased with the agreement, which represents the culmination of its strategy to have a comprehensive 3-D seismic survey completed over the entirety of the Company's acreage. While there are no guarantees, we are optimistic that the agreement, including the 3-D seismic surveys, will result in significantly increased drilling activity on our property.

The Board of Directors at its meeting on December 20, 2001 was pleased to declare a dividend of \$.75 per outstanding share of common stock payable January 14, 2002 to shareholders of record on December 31, 2001. Additionally, on February 19, 2002 the Board declared a special dividend of \$1.00 per share payable on March 8, 2002 to shareholders of record on March 1, 2002. This special dividend was declared due to the one time initial lease payment received from The Meridian Resource Corporation.

On a non-business matter, we deeply regret that in December 2001, Mr. D. Douglas Howard passed away. Mr. Howard served as a Director for many years. Those who knew him and had the pleasure of working with him will miss him.

As reported in last year's letter to the shareholders, management stated its commitment to work diligently to maximize the company's profitability and its shareholder value. We believe that the positive events of 2001 reflect this commitment. Due to the payment already received from Meridian, 2002 will prove to be our seventh consecutive profitable year. We will continue our commitment to work diligently to make the most of our opportunities and propel your company to even greater successes.

Sincerely,

William B. Rudolf
President and Chief Executive Officer
New Orleans, Louisiana

BILOXI MARSH LANDS CORPORATION

FINANCIAL STATEMENTS
AND ADDITIONAL INFORMATION

YEARS ENDED DECEMBER 31, 2001 AND 2000

BILOXI MARSH LANDS CORPORATION
 STATEMENTS OF ASSETS, LIABILITIES AND STOCKHOLDERS' EQUITY
 DECEMBER 31, 2001 AND 2000
 (See Auditors' Report)

	2001	2000
Assets		
Current assets		
Cash and cash equivalents (Notes A and I)	\$ 942,609	\$ 326,749
Refundable income taxes (Note D)	<u>-</u>	<u>27,022</u>
Total current assets	<u>942,609</u>	<u>353,771</u>
Investments		
Marketable debt and equity securities (Note C)	2,053,746	2,023,123
Land - at cost	<u>234,939</u>	<u>234,939</u>
	<u>2,288,685</u>	<u>2,258,062</u>
Property (Note A)		
Levees (net of accumulated depreciation of \$129,922 for 2001 and \$124,402 for 2000)	<u>6,959</u>	<u>12,479</u>
Total assets	<u>\$ 3,238,253</u>	<u>\$2,624,312</u>
Liabilities and Stockholders' Equity		
Current liabilities		
Income taxes payable (Note D)	\$ 51,149	\$ -
Accrued dividends payable (Notes A and G)	<u>516,455</u>	<u>206,982</u>
Total current liabilities	<u>567,604</u>	<u>206,982</u>
Commitments and contingencies (Notes E and H)	-	-
Stockholders' equity		
Common stock, no par value - 720,000 shares authorized, 712,799 shares issued, 688,607 shares outstanding	47,520	47,520
Retained earnings	<u>2,697,944</u>	<u>2,433,961</u>
	2,745,464	2,481,481
Less cost of treasury stock - 24,192 shares	<u>(74,815)</u>	<u>(64,151)</u>
	<u>2,670,649</u>	<u>2,417,330</u>
Total liabilities and stockholders' equity	<u>\$ 3,238,253</u>	<u>\$2,624,312</u>

The accompanying notes are an integral part of these financial statements.

BILOXI MARSH LANDS CORPORATION
 STATEMENTS OF REVENUES AND EXPENSES AND RETAINED EARNINGS
 FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000
 (See Auditors' Report)

	<u>2001</u>	<u>2000</u>
Revenues		
Oil and gas		
Lease bonuses and delay rentals	\$ 734,366	\$ 290,350
Sale of royalty interest	300,000	-
Lease options	-	51,200
Royalties (net of production taxes)	11,804	10,831
Seismic permit fees	<u>57,275</u>	<u>-</u>
Total oil and gas revenues	<u>1,103,445</u>	<u>352,381</u>
Other		
Dividends and interest	95,411	119,511
Gain on sale of securities	279,094	22,505
Gain on royalty distribution	-	58,800
Surface rentals and other	<u>24,420</u>	<u>28,005</u>
Total other revenues	<u>398,925</u>	<u>228,821</u>
Total revenues	<u>1,502,370</u>	<u>581,202</u>
Expenses		
Accounting and auditing	8,713	7,315
Administrative management	30,000	29,000
Clerical	8,000	7,000
Consultants	12,765	329
Depreciation (Note A)	5,520	5,520
Directors' fees	11,500	4,000
Franchise taxes	10,464	10,410
Insurance	26,434	23,644
Land management fees and expenses	9,014	8,207
Legal fees (Note F)	102,538	12,447
Other	7,222	5,989
Portfolio services	12,963	12,447
Property taxes	18,697	18,000
Rent	<u>1,285</u>	<u>750</u>
	<u>265,115</u>	<u>145,058</u>
Income (before income taxes)	1,237,255	436,144
Provision for income taxes (Note D)	<u>456,817</u>	<u>153,395</u>
Net income	780,438	282,749
Retained earnings - beginning of year	<u>2,433,961</u>	<u>2,416,994</u>
	3,214,399	2,699,743
Dividends (Note G)	<u>516,455</u>	<u>265,782</u>
Retained earnings - end of year	<u>\$ 2,697,944</u>	<u>\$ 2,433,961</u>
Net income per share	<u>\$ 1.13</u>	<u>\$.41</u>

The accompanying notes are an integral part of these financial statements.

BILOXI MARSH LANDS CORPORATION
 STATEMENTS OF CASH FLOWS
 FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000
 (See Auditors' Report)

	<u>2001</u>	<u>2000</u>
Cash flows provided (used) by operating activities (Note B)		
Oil and gas revenues received	\$ 1,103,445	\$ 352,381
Interest and dividends received	95,411	119,511
Other	24,420	28,005
Cash paid for expenses	(230,434)	(111,128)
Cash paid for income and other taxes	<u>(407,807)</u>	<u>(200,150)</u>
Net cash provided by operating activities	<u>585,035</u>	<u>188,619</u>
Cash flows provided (used) by investing activities		
Proceeds from maturing investments	958,901	899,651
Proceeds from the sale of securities	916,164	512,822
Purchase of securities	<u>(1,626,594)</u>	<u>(1,002,839)</u>
Net cash provided (used) by investing activities	<u>248,471</u>	<u>409,634</u>
Cash flows provided (used) by financing activities		
Dividends paid	(206,982)	(758,934)
Purchase of treasury stock	<u>(10,664)</u>	<u>-</u>
Net cash provided (used) by financing activities	<u>(217,646)</u>	<u>(758,934)</u>
Net increase (decrease) in cash and cash equivalents	615,860	(160,681)
Cash and cash equivalents at beginning of year	<u>326,749</u>	<u>487,430</u>
Cash and cash equivalents at end of year	<u>\$ 942,609</u>	<u>\$ 326,749</u>

The accompanying notes are an integral part of these financial statements.

BILOXI MARSH LANDS CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000

NOTE A - NATURE OF OPERATIONS AND SUMMARY OF
SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Corporation's principal source of income consists of rents, mineral royalties and other income related to its real estate ownership. In addition, the Corporation has significant revenues from the investment of funds in marketable securities.

Cash Basis

It is the policy of the Corporation to prepare its financial statements on the cash basis of accounting, where revenues and the related assets are recognized when received and expenses are recognized when paid, rather than when the obligation is incurred. However, income taxes are accrued on cash basis revenue in excess of cash basis expenses, and dividends declared by the Board of Directors are recorded on the date they are declared.

Use of Estimates

The process of preparing financial statements requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenditures. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Cash Equivalents

Management of the Corporation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Depreciation

Depreciation of property is provided for in amounts sufficient to relate their cost over their estimated service lives using the Accelerated Cost Recovery System (ACRS) rates as indicated for federal income tax purposes. Depreciation expense under generally accepted accounting principles is spread over the estimated useful lives of the assets using straight-line and some accelerated methods. Accordingly, the accompanying financial statements are not intended to present financial position, results of operations and cash flows in accordance with generally accepted accounting principles.

Depreciation, using 18-19 ACRS lives, reflected in the accompanying financial statements totaled \$5,520 for 2001 and 2000.

BILOXI MARSH LANDS CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2001 AND 2000
 (Continued)

NOTE B - SUPPLEMENTARY CASH FLOW DISCLOSURES

A reconciliation of net income to net cash provided by operating activities for the years ended December 31, 2001 and 2000 is as follows:

	<u>2001</u>	<u>2000</u>
Net income	\$ 780,438	\$ 282,749
Adjustments - cash provided (used) by operations		
Depreciation	5,520	5,520
Gain on sale of securities	(279,094)	(22,505)
Gain on royalty distribution	-	(58,800)
(Increase) decrease in refundable income taxes	27,022	(18,345)
Increase (decrease) in income taxes payable	51,149	-
Cash provided by operating activities	<u>\$ 585,035</u>	<u>\$ 188,619</u>

NOTE C - MARKETABLE SECURITIES

Marketable securities consist of investments in debt and equity securities which are carried at their amortized cost. Cost and fair market value of investment in marketable securities at December 31, 2001 and 2000 are as follows:

	<u>2001</u>		
	<u>Amortized Cost</u>	<u>Fair Market Value</u>	<u>Unrealized Gains (Losses)</u>
Equity securities	\$ 928,140	\$ 2,472,471	\$ 1,544,331
Debt securities			
Corporate bonds	299,591	306,906	7,315
Municipal bond	119,885	119,999	114
U.S. Government Agencies	706,130	715,724	9,594
	<u>\$ 2,053,746</u>	<u>\$ 3,615,100</u>	<u>\$ 1,561,354</u>

	<u>2000</u>		
	<u>Amortized Cost</u>	<u>Fair Market Value</u>	<u>Unrealized Gains (Losses)</u>
Equity securities	\$ 960,646	\$ 2,829,884	\$ 1,869,238
Debt securities			
Corporate bonds	374,591	376,828	2,237
U.S. Government Agencies	687,886	689,340	1,454
	<u>\$ 2,023,123</u>	<u>\$ 3,896,052</u>	<u>\$ 1,872,929</u>

BILOXI MARSH LANDS CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2001 AND 2000
 (Continued)

NOTE D - INCOME TAXES

The provision for income taxes differs from the amounts computed by applying the federal statutory tax rate to earnings before income tax for the following reasons:

	<u>Years ended December 31,</u>	
	<u>2001</u>	<u>2000</u>
Tax expense (based on federal statutory rate of 34%)	\$ 420,667	\$ 148,289
Income tax effect of:		
Dividend exclusion	(6,013)	(7,053)
Depletion on royalty income	(667)	(567)
State income tax (net of federal income tax benefit)	<u>42,830</u>	<u>12,726</u>
Provision for income taxes	<u>\$ 456,817</u>	<u>\$ 153,395</u>

Refundable (payable) income taxes at December 31, consist of:

	<u>2001</u>	<u>2000</u>
Total estimated tax payments		
Federal	\$ 348,668	\$ 159,417
State	<u>57,000</u>	<u>21,000</u>
	405,668	180,417
Provision for income taxes	<u>456,817</u>	<u>153,395</u>
Refundable income taxes	<u>\$ (51,149)</u>	<u>\$ 27,022</u>

NOTE E - CONTINGENCY

The Lake Borgne Levee District recorded an assessment of approximately \$45,000 in 1966 against the Corporation's lands in St. Bernard Parish. The Corporation's legal counsel suggests that there is the possibility that this assessment is unconstitutional and, accordingly, the assessment has not been paid.

BILOXI MARSH LANDS CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)

NOTE F - RELATED PARTY TRANSACTIONS

A member of the Board of Directors is a partner in the law firm which represents the Company. Payments to this related party for the years ended December 31, 2001 and 2000 were \$43,003 and \$12,447, respectively.

NOTE G - DIVIDENDS DECLARED

At a meeting of the Board of Directors of Biloxi Marsh Lands Corporation on December 20, 2001, cash dividend of \$.75 per share was declared payable on January 14, 2002, to shareholders of record on December 31, 2001.

NOTE H - COMMITMENTS & CONTINGENCIES

On May 24, 2001, the Company sold five percent of the Company's 23 percent royalty under two leases dated October 26, 2000 and February 6, 2001 to Manti Operating Company for \$300,000. Title examination by Manti discovered adverse and competing title claims with other landowners and the State of Louisiana. The Company granted a limited warranty for the return of royalty sale proceeds related to the acreage under dispute (approximately \$92,000) if a final non-appealable judgment is obtained determining that the Company does not have valid title to the disputed acreage.

During the second quarter of 2001, Manti completed the Biloxi Marsh Well No. 1. Application to utilize the well's production was filed with the Office of Conservation and under the accepted unitization plan, subject to an actual site survey; initially Biloxi will receive royalties from approximately 33 percent of the unit, in which it has an 18 percent royalty interest. The well was placed on production in late December 2001. Subject to resolution of the adverse and competing title claims, the Company has been informed by legal counsel for Manti that the balance of the royalties under the unit plan (approximately 67 percent) will be deposited in the Registry of the Court for Thirty-Fourth Judicial Court for St. Bernard Parish, Louisiana (the Parish where property is located) pending settlement or court resolution.

On advice of counsels, on November 2, 2001, a Petition for Possessory Action was filed in the Thirty-Fourth Judicial District Court for St. Bernard Parish, Louisiana seeking, among other relief, a Judgment that Biloxi Marsh Lands Corporation is in possession of the lands, and ultimately, dismissing the claims by the adverse parties to the balance of the royalties under the unit plan. Management is unable to determine the most likely outcome at the present time, however, the Company intends to vigorously defend its title to all lands in question.

BILOXI MARSH LANDS CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)

NOTE I - UNINSURED CASH BALANCES

The Company maintains cash and cash equivalents with two local highly rated financial institutions. The cash balances are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000 per bank. The Company received a \$200,000 delay rental payment on December 31, 2001, which resulted in an insured cash balance at December 31, 2001 of \$186,960.

NOTE J - SUBSEQUENT EVENT

On December 15, 2001, Biloxi Marsh Lands Corporation entered into a series of lease agreements with The Meridian Resource Corporation and, in accordance with the terms of these agreements on January 3, 2002, the Company received \$2,631,896. Initially, the lease agreements allow Meridian to develop oil and gas prospects by completing 3-D seismic surveys over the vast majority of Company property. At any time during the initial term of the leases, Meridian may select specific locations on which it may drill by providing additional compensation to the Company.

BILOXI MARSH LANDS CORPORATION
ADDITIONAL INFORMATION
SCHEDULE OF MARKETABLE SECURITIES
DECEMBER 31, 2001 AND 2000

BILOXI MARSH LANDS CORPORATION
SCHEDULE OF MARKETABLE SECURITIES
DECEMBER 31, 2001 AND 2000

<u>Company / Description</u>	<u>Shares / Face Value</u>	<u>2001</u>			<u>Shares / Face Value</u>	<u>2000</u>		
		<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Gains (Losses)</u>		<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Gains (Losses)</u>
<u>Marketable Equity Securities</u>								
<u>Common Stocks</u>								
Block H&R, Inc.	4,000	\$ 86,180	\$ 178,800	\$ 92,620	2,500	\$ 107,725	\$ 103,437	\$ (4,288)
Bristol Myers Squibb Co.	3,000	30,299	153,000	122,701	3,000	31,834	221,812	189,978
Cerner Corp	2,400	44,111	119,832	75,721	5,500	101,087	254,375	153,288
Exxon Mobil Corp.	3,000	5,523	117,900	112,377	1,500	5,523	130,406	124,883
General Electric Co.	-	-	-	-	2,766	62,343	132,595	70,252
Hancock Holding Co.	3,105	49,325	133,639	84,314	3,105	49,325	118,766	69,441
Intercontinental Telecom Warrants, expiring 4/30/02	7,000	-	7,000	7,000	7,000	-	7,000	7,000
Jack Henry & Associates	14,000	68,444	305,760	237,316	7,600	74,310	472,150	397,840
Leggett & Platt Inc.	6,400	81,856	147,200	65,344	6,400	81,856	121,200	39,344
Luminex Corp.	-	-	-	-	5,000	125,025	130,312	5,287
O'Charleys Inc.	8,400	67,900	155,484	87,584	8,400	67,900	149,625	81,725
Optimal Robotics	5,500	146,569	194,975	48,406	-	-	-	-
Petroleum Helicopters VTG	6,500	125,150	130,000	4,850	-	-	-	-
Pfizer, Inc.	6,000	916	239,100	238,184	6,000	916	276,000	275,084
SCP Pool Corp	12,750	52,590	349,988	297,398	13,500	83,525	405,844	322,319
Stone Energy Corp	3,500	98,852	138,250	39,398	3,500	98,852	225,925	127,073
Union Planters Corp	2,250	70,425	101,543	31,118	2,250	70,425	80,437	10,012
		<u>928,140</u>	<u>2,472,471</u>	<u>1,544,331</u>		<u>960,646</u>	<u>2,829,884</u>	<u>1,869,238</u>

BILOXI MARSH LANDS CORPORATION
SCHEDULE OF MARKETABLE SECURITIES
DECEMBER 31, 2001 AND 2000

<u>Company / Description</u>	<u>2001</u>			<u>2000</u>				
	<u>Shares / Face Value</u>	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Gains (Losses)</u>	<u>Shares / Face Value</u>	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Gains (Losses)</u>
<u>Marketable Debt Securities</u>								
<u>Corporate Bonds</u>								
Walt Disney Global N/Call 6.375%, Due 3/30/01	-	-	-	-	75,000	75,000	74,953	(47)
Dupont EI Notes 6.50%, Due 9/1/02	100,000	99,705	103,000	3,295	100,000	99,705	100,938	1,233
Ford Motor Credit 7.740%, Due 7/16/04	100,000	99,861	101,156	1,295	100,000	99,861	100,437	576
Stone Energy Corp. Note 8.75%, Due 9/15/07	100,000	100,025	102,750	2,725	100,000	100,025	100,500	475
		<u>299,591</u>	<u>306,906</u>	<u>7,315</u>		<u>374,591</u>	<u>376,828</u>	<u>2,237</u>
<u>Municipal Bonds</u>								
St. Tammany Parish, LA Hospital Service District # 1 6.5%, Due 7/1/22	115,000	119,885	119,999	114	-	-	-	-

BILOXI MARSH LANDS CORPORATION
SCHEDULE OF MARKETABLE SECURITIES
DECEMBER 31, 2001 AND 2000

<u>Company / Description</u>	<u>Shares / Face Value</u>	<u>2001</u>			<u>Shares / Face Value</u>	<u>2000</u>		
		<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Gains (Losses)</u>		<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Gains (Losses)</u>
<u>Marketable Debt Securities (Continued)</u>								
<u>U.S. Government Agencies</u>								
Federal National Mortgage Assoc. Disc. Note, Due 1/11/02	140,000	134,208	139,930	5,722	-	-	-	-
Federal Home Loan Bank Note Due 1/22/02	300,000	301,922	300,469	(1,453)	-	-	-	-
Federal Home Loan Bank Note Due 10/26/04	120,000	120,000	121,200	1,200	-	-	-	-
Federal Home Loan Bank Note Due 4/4/05	150,000	150,000	154,125	4,125	-	-	-	-
Federal Home Loan Bank Discount Note, Due 1/5/01	-	-	-	-	50,000	48,855	49,940	1,085
Federal Home Loan Mortgage Corp. Note, Due 1/19/01	-	-	-	-	250,000	250,000	249,844	(156)
Federal Home Loan Bank Discount Note, Due 6/8/01	-	-	-	-	150,000	145,652	146,070	418
Federal National Mortgage Assoc. Disc. Note, Due 9/14/01	-	-	-	-	150,000	143,379	143,955	576
Federal Home Loan Bank Note Due 11/19/01	-	-	-	-	100,000	100,000	99,531	(469)
		<u>706,130</u>	<u>715,724</u>	<u>9,594</u>		<u>687,886</u>	<u>689,340</u>	<u>1,454</u>
Total Investments - December 31		<u>\$ 2,053,746</u>	<u>\$ 3,615,100</u>	<u>\$ 1,561,354</u>		<u>\$ 2,023,123</u>	<u>\$ 3,896,052</u>	<u>\$ 1,872,929</u>