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PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY
JEFFERSON PARISH, LOUISIANA

Financial Statements and Schedules

December 31, 2004 and 2003

With Independent Auditors' Report Thereon

PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

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Postlethwaite & Netterville

A Professional Accounting Corporation
Associated Offices in Principal Cities of the United States
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Independent Auditors' Report

The Board of Trustees
Parish of Jefferson Home Mortgage Authority:

We have audited the accompanying statements of net assets of the Parish of Jefferson Home Mortgage Authority (the Authority), a component unit of the Parish of Jefferson, as of December 31, 2004 and 2003, and the related statements of revenues, expenses and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 the Authority as of December 31, 2004 and 2003, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 3 through 9 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 28, 2005 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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Our audits were made for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information included in Schedules 1 through 4 is presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, such information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Postlethwaite & Netterville

Metairie, Louisiana
February 28, 2005

P&N

PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

Management's Discussion and Analysis

December 31, 2004 and 2003

This section of the Parish of Jefferson Home Mortgage Authority's (the Authority) financial report presents a discussion and analysis of the Authority's financial performance during the fiscal year that ended December 31, 2003. Please read it in conjunction with the Authority's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The Authority implemented GASB 34 *Basic Financial Statements – and Management's Discussion and Analysis for the State and Local Governments*, in 2001. The Authority is a component unit of the Parish of Jefferson, Louisiana.

<u>2004</u>
The Authority's net assets represent 6% of its assets. With total assets approximating $220 million, the Authority had changes in net assets of approximately $3 million for the year ended December 31, 2004, a return of 1.3% on average assets.

The Authority's financial highlights include:

- The Authority created the 2004A Program through the issuance of $20.8 million in revenue refunding bonds.
- The Authority created the 2004B Program for use in issuing short-term line of credit facility to recycle funds for its loan programs; $33.3 million was funneled through this program.
- The Authority's net assets decreased by $3.1 million due primarily to a decrease in investment income.

<u>2003</u>
The Authority's net assets represent 7% of its assets. With total assets approximating $236 million, the Authority had changes in net assets of approximately $3 million for the year ended December 31, 2003, a return of 1.3% on average assets.

The Authority's financial highlights include:

- The Authority created the 2003A Program through the issuance of $15.6 million in revenue refunding bonds.
- The Authority created the 2003B Program for use in issuing short-term line of credit facility to recycle funds for its loan programs; $24 million was funneled through this program.
- The Authority created the 2003C Program through the issuance of $31 million in revenue refunding bonds.
- The Authority's net assets decreased by $3.2 million from operations principally due to the depreciation in the fair value of its mortgage-backed investment securities.

PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

Management's Discussion and Analysis

December 31, 2004 and 2003

OVERVIEW OF THE FINANCIAL STATEMENTS

This financial report consists of four parts: management's discussion and analysis (this section), the basic financial statements, the notes to the financial statements, and supplementary information.

The financial statements provide both long-term and short-term information about the Authority's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of other supplementary information that further explains and supports the information in the financial statements.

The Authority's financial statements are prepared on an accrual basis in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. Under this basis of accounting, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, and depreciation of assets is recognized in the Statements of Revenues, Expenses, and Changes in Net Assets. All assets and liabilities associated with the operation of the Authority are included in the Statements of Net Assets.

The Statement of Net Assets reports the Authority's net assets. Net assets, the difference between the Authority's assets and liabilities, are one way to measure the Authority's financial health or position. The decrease in the Authority's net assets during 2004 and 2003 is an indicator of a relative decrease in its financial health.

PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

Management's Discussion and Analysis

December 31, 2004 and 2003

FINANCIAL ANALYSIS OF THE AUTHORITY

Net Assets

2004

The Authority's total net assets at December 31, 2004 declined to 1,199, a decrease of 22% from December 31, 2003 (See Table A-1). Total assets decreased by 17 million due to decreases in mortgage-backed securities of $15.5 and $1.2 in investments.

Table A-1
Parish of Jefferson Home Mortgage Authority
(in thousands of dollars)

	2004	2003	Increase (Decrease)
Cash and cash equivalents	$ 3,596	$ 3,805	$ (209)
Investments	99,677	100,879	(1,202)
Loans and mortgage-backed securities	112,164	127,705	(15,541)
Other assets	4,022	3,892	130
Total assets	219,459	236,281	(16,822)
Other liabilities	50,722	50,927	(205)
Bonds payable	154,538	168,035	(13,497)
Total liabilities	205,260	218,962	(13,702)
Net assets, principally restricted for debt	14,199	17,319	(3,120)
Total liabilities and net assets	$ 219,459	$ 236,281	$ (16,822)

Total assets decreased by $17 million due to payments received on mortgage loans receivable offset by the purchase of investment securities. Likewise, the decrease in bonds payable of $14 million is due to the payments on bonds exceeding the new issues, one of which was a line of credit.

PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

Management's Discussion and Analysis

December 31, 2004 and 2003

2003

The Authority's total net assets at December 31, 2003 reached approximately $17.3 million, a 16% decrease from net assets as of December 31, 2002 (See Table A-2). Total assets decreased 7% to $236 million, and total liabilities decreased 6% to $219 million.

Table A-2
Parish of Jefferson Home Mortgage Authority
(in thousands of dollars)

	2003	2002	Increase (Decrease)
Cash and cash equivalents	$ 3,805	$ 9,496	$ (5,691)
Investments	100,879	54,906	45,973
Loans and mortgage-backed securities	127,705	184,841	(57,136)
Other assets	3,892	3,685	207
Total assets	236,281	252,928	(16,647)
Other liabilities	50,927	44,754	6,173
Bonds payable	168,035	187,641	(19,606)
Total liabilities	218,962	232,395	(13,433)
Net assets, principally restricted for debt	17,319	20,533	(3,214)
Total liabilities and net assets	$ 236,281	$ 252,928	$ (16,647)

Total assets decreased by $16.6 million due to $43.7 million accumulated in the 2002B program, offset by payments received on mortgage loans receivable and investment securities. Likewise, bonds payable decreased by payments of principal on debt of other programs. Other liabilities increased due to an increase in the line of credit by $39.1 million in the 2003B Program.

PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

Management's Discussion and Analysis

December 31, 2004 and 2003

Changes in Net Assets

2004

Table A-5
Parish of Jefferson Home Mortgage Authority's Changes in Net Assets
(in thousands of dollars)

	2004	**2003**	**Increase (Decrease)**
Operating revenues:			
Investment income	$ 8,142	$ 10,160	$ (2,018)
Appreciation in fair value on investments	(2,219)	(2,344)	125
Other	2,147	1,673	474
Total operating revenues	8,070	9,489	(1,419)
Operating expenses	11,190	12,703	(1,513)
Change in net assets	(3,120)	(3,214)	94
Total net assets, beginning of the year	**17,319**	**20,533**	**(3,214)**
Total net assets, end of the year	**$ 14,199**	**$ 17,319**	**$ (3,120)**

Operating revenues decreased by 4.3% to $8.1 million. The decrease in revenue is due to a decrease in the average outstanding loan balances in 2004.

Table A-6
Parish of Jefferson Home Mortgage Authority's Operating Expenses
(in thousands of dollars)

	2004	**2003**	**Increase (Decrease)**
Interest on debt	$ 9,439	$ 10,546	$ 1,107
Amortization of bond issuance and other costs	368	502	134
Servicing fees	674	759	(85)
Other	709	896	(187)
Total operating expenses	**$ 11,190**	**$ 12,703**	**$ (1,513)**

Operating expenses decreased due to a lower average outstanding bond balance in 2004, thereby decreasing interest expense.

PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

Management's Discussion and Analysis

December 31, 2004 and 2003

2003

The decrease in net assets in 2003 was approximately $3.7 million as compared to an increase in net assets of $7.0 million in 2002. Total operating revenues increased by approximately 58 % to $9.5 million, and total operating expenses decreased 17% to approximately $12.7 million. The changes in net assets are detailed in Table A-3, operating expenses are detailed in Table A-4.

The increase in net assets is primarily a result of favorable interest rate market conditions and the resulting appreciation in investments and GNMA and FNMA participation securities.

Table A-3
Parish of Jefferson Home Mortgage Authority's Changes in Net Assets
(in thousands of dollars)

	2003	2002	Increase (Decrease)
Operating revenues:			
Investment income	$ 10,160	$ 12,989	$ (2,829)
Appreciation (depreciation) in fair value on investments	(2,344)	8,332	(10,676)
Other	1,673	838	835
Total operating revenues	9,489	22,159	(12,670)
Operating expenses	12,703	15,166	(2,463)
Change in net assets	(3,214)	6,993	(3,779)
Total net assets, beginning of the year	20,533	13,540	6,993
Total net assets, end of the year	$ 17,319	$20,533	$3,214

Operating revenues decreased by 57.2% to $9.5 million. The decrease in revenue by $12.7 million is primary a result of unfavorable market conditions and the resulting depreciation of $2 million in investments. Investment income on mortgage loans decreased as a result of a lower average of outstanding loan balances in 2003.

PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

Management's Discussion and Analysis

December 31, 2004 and 2003

Table A-4
Parish of Jefferson Home Mortgage Authority's Operating Expenses
(in thousands of dollars)

	2003	2002	Increase (Decrease)
Interest on debt	$ 10,546	$12,736	$ (2,190)
Amortization of bond issuance and other costs	502	817	(315)
Servicing fees	759	925	(166)
Other	896	688	208
Total operating expenses	$ 12,703	$ 15,166	$ (2,463)

Operating expenses decreased due to the expected reduction in interest expense and bond issues costs due to lower outstanding bonds payable and lower average interest rates. The decrease in servicing fees is due to the decrease in the mortgage-backed investments.

DEBT ADMINISTRATION

Debt Administration

2004
Total indebtedness for bonds payable was $167 million as of December 31, 2004 compared to $168 million in 2003. The decrease in bonds payable is the result of ordinary payments on the bonds. The Authority issued long-term bonds in 2004 consisting of the 2004A Program with bonds payable of $20,743.

All bond debt and lease covenants have been met.

2003
Total indebtedness for bonds payable was $168 million as of December 31, 2003 compared to $188 million in 2002. The decrease in bonds payable is the result of ordinary payments on the bonds and the early liquidation of the 1993 program. The Authority issued long-term bonds in 2003 consisting of the 2003A and 2003C Programs, with bonds payable of $15,557 and $30,817 respectively. In addition to these bonds, the Authority did accumulate $24.3 million in its 2003B Program which is supported by a line of credit.

All bond debt and lease covenants have been met.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our bondholders, patrons, and other interested parties with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Parish of Jefferson Home Mortgage Authority at (504) 736-6311.

PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

Statements of Net Assets
(in thousands)

As of December 31, 2004 and 2003

	2004	2003
Assets		
Cash and cash equivalents	$ 3,596	$ 3,805
Investment securities at fair value	99,677	100,879
Mortgage loans receivable and mortgage-backed securities	112,164	127,705
Accrued interest receivable	713	710
Bond issuance costs, net	3,302	2,843
Prepaid assets	-	-
Other assets	7	339
Total assets	$ 219,459	$ 236,281
Liabilities and Net Assets		
Liabilities:		
Bonds payable, net	$ 154,538	$ 168,035
Line of credit payable to bank	50,007	50,180
Accrued interest payable	715	747
Total liabilities	205,260	218,962
Net Assets:		
Restricted for debt	11,508	13,867
Unrestricted	2,691	3,452
Total net assets	14,199	17,319
Total liabilities and net assets	$ 219,459	$ 236,281

See accompanying notes to financial statements.

PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

Statements of Revenues, Expenses and Changes in Net Assets
(in thousands)

For the years ended December 31, 2004 and 2003

	2004	2003
Operating revenues:		
Investment income on mortgage loans	$ 8,142	$ 10,160
Appreciation (depreciation) in fair market value of investments in mortgage-backed securities	(2,219)	(2,344)
Investment income on investments	2,063	1,588
Commitment fees	-	85
Servicer release fee	61	-
Miscellaneous revenue	23	-
Total operating revenues	8,070	9,489
Operating expenses:		
Interest on debt	9,439	10,546
Amortization of bond issuance costs and other costs	368	502
Servicing fees	674	759
Mortgage loan insurance costs	-	2
Trustee fees	83	74
Other operating expenses	626	820
Total operating expenses	11,190	12,703
Change in net assets	(3,120)	(3,214)
Nets assets at beginning of the year	17,319	20,533
Net assets at end of the year	$ 14,199	$ 17,319

See accompanying notes to financial statements.

PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

Statements of Cash Flows
(in thousands)

For the years ended December 31, 2004 and 2003

	2004	2003
Cash flows from operating activities:		
Cash receipts for:		
Investment income on mortgage loans	$ 7,956	$ 10,379
Investment income on investments	2,604	1,628
Cash payments for:		
Interest on debt	(9,872)	(11,044)
Servicing fees	(674)	(759)
Other revenue	51	-
Other operating expenses	(675)	(896)
Net cash provided by operating activities	(610)	(692)
Cash flows from capital financing activities - purchase of other assets	-	(8)
Cash flows from noncapital financing activities:		
Bond proceeds	20,742	46,417
Bonds redeemed	(38,900)	(65,745)
Proceeds from line of credit	-	24,336
Lines of credit redeemed	(38,456)	(17,882)
Bond issuance costs	(439)	(933)
Net cash used in noncapital financing activities	(47,053)	(13,807)
Cash flows from investing activities:		
Proceeds from sale of investments	68,362	22,272
Acquisition of investments	(56,206)	(59,949)
Acquisition of mortgage loans	(38,398)	-
Principal receipts from mortgage loans	73,697	46,492
Proceeds from sale of mortgage loans	-	-
Proceeds from gain on sale of investments	-	-
Cost related to sale of investments	-	-
Net cash provided by (used in) investing activities	47,455	8,815
Net increase (decrease) in cash and cash equivalents	(208)	(5,692)
Cash and cash equivalents at beginning of period	3,805	9,497
Cash and cash equivalents at end of period	$ 3,597	$ 3,805
Reconciliation of changes in net assets to net cash provided by operating activities:		
Changes in net assets	$ (3,120)	$ (3,214)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Amortization of bond issuance and other costs	368	502
Amortization of bond premium	(396)	(312)
Unrealized (gains) losses on investments	2,573	2,344
Change in assets and liabilities:		
Decrease in accrued interest receivable	257	259
Decrease (increase) in prepaid insurance	-	(3)
Increase in other assets	-	(81)
Decrease in accrued interest payable	(292)	(187)
Net cash provided by operating activities	$ (610)	$ (692)

See accompanying notes to financial statements.

(1) Organization and Summary of Significant Accounting Policies

(a) Authorizing Legislation

The Parish of Jefferson Home Mortgage Authority (the Authority) is a public trust, created pursuant to the Constitution and Laws of the State of Louisiana, particularly Chapter 2-A of Title 9 of Louisiana Revised Statutes of 1950, as amended, and the Trust Indenture, dated February 9, 1979, with Jefferson Parish, Louisiana as beneficiary. Pursuant to the Trust Indenture, the Authority is authorized to undertake various programs to assist in the financing and development of home ownership in the public interest within the boundaries of Jefferson Parish, Louisiana.

The Authority has the power to designate its management, the ability to significantly influence its operations and primary accountability for its fiscal matters. However, the Council of the Parish of Jefferson has the ability to remove members of the Authority's Board at will. Consequently, the financial statements of the Authority are included as a component unit of the Parish of Jefferson, Louisiana. This report includes all of the funds of the Authority.

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

Date	Issue Name		Amount (in thousands)
September 1, 1982	Single Family Mortgage Revenue Bonds, Series 1982 (1982 Program) (fully redeemed in 1999)	$	19,175
September 1, 1984	Single Family Mortgage Revenue Bonds, Series 1984 (1984 Program) (sold in 1999)	$	31,750
May 1, 1985	Single Family Mortgage Revenue Bonds (except Compound Bonds, Series 1985 interest bonds dated May 21, 1985) (1985 Program) Partially defeased in 1994	$	26,000
October 18, 1994	Taxable Compound Interest Bonds, Series 1994 (partially refunded/ defeased 1985/1994R Program)	$	26,250
August 24, 1987	GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1987A (1987 Program) (defeased in 1998)	$	38,600

PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

Notes to Financial Statements

December 31, 2004 and 2003

Date	Issue Name		Amount (in thousands)
October 1, 1988	GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1988A (1988 Program) (defeased in 1998)	$	50,000
June 1, 1989	GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1989A (1989 Program) (defeased in 2000)	$	50,000
September 1, 1990	GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1990A (1990 Program) (sold in 2000)	$	25,000
December 20, 1991	Collateralized Mortgage Obligations, Series 1991A (1991 Program) (sold in 2002)	$	59,485
December 1, 1993	Single Family Mortgage Revenue Bonds, Series 1993A and 1993B (Refunding) - (1993 Program) (defeased in 2003 by 2003C Program)	$	28,350
November 30, 1994	Tax-Exempt Agency Mortgage-Backed Securities, Series1994A (1994 Program)	$	11,835
August 11, 1995	Tax-Exempt Agency Mortgage-Backed Securities, Series 1995A (1995 Program)	$	12,500
November 26, 1996	Tax-Exempt Agency Mortgage-Backed Securities, Series 1996A (1996 Program)	$	18,425
May 27, 1997	Single Family Mortgage Revenue Refunding Bonds Securities, Series 1997B (refunded by 1997A program)	$	2,705
August 28, 1997	Tax-Exempt Agency Mortgage-Backed Securities, Series 1997A (1997A Program)	$	17,395

Date	Issue Name	Amount (in thousands)
November 25, 1997	Tax-Exempt Agency Mortgage-Backed Securities, Series 1997E (1997E Program) (expired in 2000)	$ 15,000
September 1, 1998	Tax-Exempt Agency Mortgage-Backed Securities, Series 1998A1 and A2 and Refunding Securities 1998C1 and C2 (1998AC Program)	$ 37,110
September 1, 1998	Single Family Mortgage Revenue Refunding Bonds, Series 1998D (1998D Program) (expired in 2000)	$ 70,000
July 1, 1999	Single Family Mortgage-Backed Securities Series 1999A1 and A2 and Refunding Securities 1999B1 and B2 (1999AB Program)	$ 51,955
December 1, 1999	Single Family Mortgage Revenue Refunding Bonds, Series 1999C (1999C Program) (defeased in 2003)	$ 75,000
January 15, 2000	Single Family Mortgage Revenue Refunding Bonds, Series 2000A-1 and A-2 and 2001B (2000AB Program)	$ 28,000
June 15, 2000	Single Family Mortgage Revenue Refunding Bonds, Series 2000C1 and C2, 2000D1 and D2, and 2001E (2000CDE Program)	$ 49,400
November 15, 2000	Single Family Mortgage Revenue Refunding Bonds, Series 2000G-1 (2000G1 Program)	$ 14,940
January 10, 2001	Single Family Mortgage Revenue Refunding Bonds, Series 2000G-2 (2000G2 Program)	$ 20,800
June 27, 2001	Single Family Mortgage Revenue Refunding Bonds, Series 2001BC (2001BC Program)	$ 33,004

December 11, 2002	Single Family Mortgage Revenue Refunding Bonds, Series 2002B (2002B Program)	$ 75,000
May 29, 2003	Single Family Mortgage Revenue Refunding Bonds, Series 2003A (2003A Program)	$ 15,600
August 27, 2003	Single Family Mortgage Revenue Refunding Bonds, Series 2003B (2003B Program)	$ 75,000
November 12, 2003	Single Family Mortgage Revenue Refunding Bonds, Series 2003C (2003C Program)	$ 30,817
June 17, 2004	Single Family Mortgage Revenue Refunding Bonds, Series 2004A (2004A Program)	$ 20,000
September 23, 2004	Single Family Mortgage Revenue Refunding Bonds, Series 2004B (2004B Program)	$ 75,000

The 1985 Program was partially defeased in 1994; refunded 1985 bonds were issued in conjunction with the defeasance. Consequently, the 1985 Program title has been changed to the 1994 Program.

Bonds and other obligations issued under the provisions of the Trust Indenture are not a debt or liability of the State of Louisiana, the Parish of Jefferson, or any other political subdivision. The Authority's Board of Trustees is empowered under the Trust Indentures and the bond program agreements to contract with outside parties to conduct the day-to-day operations of the bond programs it initiates. In connection with the programs, the Authority utilizes area financial institutions to originate and service the mortgage notes acquired. In addition, a local area bank has been designated as trustee of the individual bond programs and has the fiduciary responsibility for the custody and investment of funds.

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

The accounting policies of the Authority conform to accounting principles generally accepted in the United States of America as applicable to governments. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses, excluding depreciation and amortization, are recorded when a liability is incurred, regardless of the timing of related cash flows. The Authority has no government or fiduciary funds.

The Authority uses fund accounting to report its financial position and results of operations. The accounts of the Authority are organized on the basis of individual programs. The programs, which are administered by a trustee bank, provide for a separate set of self-balancing accounts which account for bonds issued, debt service and bond redemption requirements, investments, and related revenues and operating expenses. These individual programs are aggregated in the financial statements to comprise the fund of the Authority.

The Authority's accounts are organized into a single proprietary fund. The enterprise fund (a proprietary fund) is used to account for operations (a) that are operated in a manner similar to private business where the intent of the governing body is that the cost (expense, including deprecation) of providing goods and services to the general public is financed or recovered primarily through user charges or (b) where the governing body has decided that the periodic determination of revenues earned, expenses incurred and/or changes in net assets is appropriate for capital maintenance.

The Authority's principal operating revenues are the interest and appreciation (depreciation) related to investments and mortgages/mortgage-backed securities. The Authority applies all applicable FASB pronouncements issued on or before November 30, 1989 in accounting for its operations unless those pronouncements conflict or contradict GASB pronouncements.

(c) Cash Equivalents

Cash equivalents consist of all money market accounts and highly-liquid investments with a maturity of three months or less at date of purchase.

(d) Investment Securities

Investments are reported at fair value except for money markets and short-term investments, consisting primarily of financial instruments with a maturity of one year or less at time of purchase, which are reported at cost. Fair value is based on quoted market prices. If quoted prices are not available, fair value is estimated based on similar securities. The investment securities are restricted for the use of the respective programs with the exception of the investment securities in the 1991 CMO Residual Account, which are unrestricted.

(e) Bond Issuance Costs

Costs related to issuing bonds are capitalized and amortized based upon the methods used to approximate the interest method over the term of the bonds.

(f) Refinancing Gains (Losses)

Gains and losses associated with refundings and advance refundings are being deferred and amortized as a component of interest expense based upon the methods used to approximate the interest method over the term of the new bonds or the remaining term on any refunded bond, whichever is shorter. The new debt is reported net of the deferred amount on the refunding. The deferred amounts are disclosed in note 4.

(g) Commitment Fees

The Authority receives commitment fees from lenders for designating certain funds for the purchase of mortgage loans originated by the lenders. These nonrefundable fees are deferred, and if the commitment is exercised, recognized over the life of the loan as an adjustment of yield, or if the commitment expires unexercised, it is recognized in changes in net assets upon the expiration of the commitment.

(h) Real Estate Owned

Real estate owned, comprised of real estate acquired in partial settlement of loans, is recorded at the related unpaid loan principal balance at the time of foreclosure. Substantially all costs of maintaining real estate owned are reimbursed under various insurance coverages. The excess of the unpaid principal and accrued interest balances over sales proceeds realized is also reimbursed under various insurance coverages.

(i) Estimates

The Authority has made estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare the balance sheet in conformity with accounting principles generally accepted in the United States of America.

(2) Cash, Cash Equivalents and Investment Securities

Cash deposits and cash equivalents of $3,596,000 and $3,805,000 at December 31, 2004 and 2003, respectively, are held in financial institutions. Nominal bank balances are covered by federal depository insurance. The remaining December 31, 2004 and 2003 balances were comprised of cash equivalents that were invested in money market funds, of which the underlying assets are guaranteed by the U.S. Government. At December 31, 2004 and 2003, investments were held as specifically as required under terms of the Trust Indentures. These investments include U.S. Treasury bills, U.S. Treasury notes, and guaranteed investment contracts.

The Authority's investments are categorized below to give an indication of the level of risk assumed by the Authority at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the Authority or its agent in the Authority's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the Authority's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the Authority's name. The fair values of investment securities and cost values of Guaranteed Investment Contracts (GICS) and their category classification at December 31 are as follows:

	2003 Fair Value (in thousands)	2003 Category	2002 Fair Value (in thousands)	2002 Category
U.S. Government Securities - 1991 Program	$ 1,494	3	$ 2,367	3
Guaranteed Investment Contracts:				
1994 Program	67	-	273	-
1995 Program	196	-	217	-
1996 Program	332	-	258	-
1997A Program	83	-	335	-
1998AC Program	996	-	737	-
1999AB Program	862	-	593	-
2000AB Program	965	-	442	-
2000CDE Program	861	-	828	-
2000G1 Program	353	-	291	-
2000G2 Program	925	-	706	-
2001BC Program	1,077	-	646	-
2002B Program	16,724	-	25,844	-
2003A Program	142	-	12,335	-
2003B Program	-	-	24,336	-
2003C Program	27,836	-	30,671	-
2004A Program	13,481	-	-	-
2004B Program	33,283	-	-	-
	$ 99,777		$ 100,879	

Collateral on the guaranteed investment contracts is not required unless the financial institution does not meet certain investment-rating requirements. These investments are unsecured, and the redemption depends solely on the financial condition of the companies which provided the contracts and their ability to pay. At December 31, 2004, the financial institutions met the investment rating requirements and, as a result, no collateral is currently pledged for any program.

(3) Mortgage Loans Receivable

Mortgage loans receivable for the 2003C program consists of the mortgage loan receivable remaining from the 1993 Program and include mortgage loans represented by fully modified mortgage pass-through certificates (GNMA certificates) backed by certain qualifying mortgage loans for single-family residences located within the Parish of Jefferson. Mortgage loan receivable for the 1994, 1995, 1996, 1997A, 1998AC, 1999AB, 2000AB, 2000CDE, 2000G1, 2000G2, 2001BC, 2003A and 2004A programs represents mortgage pass-through certificates (GNMA and FNMA certificates) backed by certain qualifying mortgage loans for single-family residences located within the Parish of Jefferson. The GNMA certificates are fully guaranteed by the United States government; the Authority is not responsible for mortgage loan insurance. The FNMA certificates of the 1994, 1995, 1996, 1997A, 1998AC, 1999AB, 2000AB, 2000CDE, 2000G2, 2001BC and 2003A loans are fully guaranteed by the Federal National Mortgage Association, a federally chartered and stockholder-owned corporation. As of December 31, 2004, no loans have been issued for the 2002B, 2003B and 2004B programs.

In the 1991 and 2003C Programs, each mortgage loan purchased by the Authority is insured for mortgage default under various policies. Additionally, mortgage loans are insured under a master policy of supplemental mortgage insurance and under a master policy of special hazard insurance. Each participating mortgage lender services those loans purchased from it by the Authority and receives compensation for services rendered. The mortgage loans have stated interest rates to the Authority as follows:

1991 Program	7.625%
1993 Program-GNMA	5.900%
1993 Program-First Lien	7.750%
1994 Program	7.990%
1995 Program	7.190%
1996 Program	6.730%
1997A Program	6.580%
1998AC Program	6.220%
1999AB Program	6.745%
2000AB Program	7.490%
2000CDE Program	7.320%
2000G1 Program	5.630%
2000G2 Program	6.500%
2001BC Program	6.740%
2003A Program	5.35% and 5.95%
2003C Program	5.28% and 5.88%
2004A Program	6.360%

PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

Notes to Financial Statements

December 31, 2004 and 2003

The fair values of GNMA and FNMA certificates, their category classification, and mortgage loans receivable at amortized cost at December 31 are as follows:

	2004	2003
	Mortgage-backed Securities at Fair Value	Mortgage-backed Securities at Fair Value
GNMA Certificates:		
1994 Program	1,409	2,114
1995 Program	2,648	3,848
1996 Program	5,564	7,761
1997A Program	7,909	8,526
19998AC Program	12,179	16,258
1999AB Program	12,085	15,334
2000AB Program	4,306	8,046
2000CDE Program	7,106	10,944
2000G-1 Program	4,073	6,175
2000G-2 Program	11,273	15,534
2001BC Program	13,902	18,916
2003A Program	14,192	3,385
2003C Program	951	1,251
2004A Program	7,487	-
	$ 105,084	$ 118,092
FNMA Certificates:		
1994 Program	396	709
1995 Program	324	654
1996 Program	520	934
1997A Program	-	2,087
1998AC Program	1,330	1,859
1999AB Program	1,614	2,865
2000AB Program	60	614
2000CDE Program	480	2,459
2000G-2 Program	614	1,021
2001BC Program	814	1,468
2003A Program	928	-
	$ 7,080	$ 14,670
	$ 112,164	$ 182,784

All mortgage-backed securities are category 1 investments; Mortgage loan receivables are not categorized.

(4) Bonds Payable

Bonds payable are as follows at December 31:

	2004	2003
Tax-Exempt Agency Mortgage-Backed Securities, Series 1994A dated November 30, 1994 - $1,730 due December 1, 2026 at 7.55%	1,730	2,625
Tax-Exempt Agency Mortgage-Backed Securities, Series 1995A dated August 29, 1995 - $2,675 due December 1, 2026 at 6.65%	2,675	3,875
Tax-Exempt Agency Mortgage-Backed Securities, Series 1996A dated November 26, 1996 - $5,905 due June 1, 2028 at 6.15%	5,905	7,990
Tax-Exempt Agency Mortgage-Backed Securities, Series 1997A dated August 1, 1997 - $2,045 due June 1, 2023 at 5.63%, and $5,295 due December 1, 2028 at 5.85%	7,340	9,420
Tax-Exempt Agency Mortgage-Backed Securities, Series 1998A-1 dated September 1, 1998 - $3,835 due December 2024 at 5.40%, $2,485 due June 2026 at 5.20%, and $7,265 due December 2029 at 5.25% (plus bond premium of $168)	13,753	17,874
Single Family Mortgage Revenue Refunding Bonds, Series 1999A-1 dated *July 1, 1999 - $2,935 due June 1, 2031 at* 5.72%; $160 due December 1, 2012 at 5.00%, $4,350 due June 1, 2026 at 5.72%, $6,085 due June 1, 2031 at 6.75%; (plus premium on bonds of $345)	13,875	17,132

	2004	2003
Single Family Mortgage Revenue Refunding Bonds, Series 2000A-1 dated January 15, 2000 - $1,175 due December 1, 2023 at 6.40%, $2,330 due December 1, 2030 at 7.50%, and $1,210 due June 1, 2031 at 6.50% (plus premium on bonds of $285)	5,000	8,126
Single Family Mortgage Revenue Refunding Bonds, Series 2000C-1 dated June 15, 2000 - $560 due June 1, 2029 at 7.00%, $1,540 due June 1, 2031 at 6.15%, and $715 due June 1, 2032 at 7.25%; Series 2000C-2 dated June 15, 2000 – matured on June 29, 2001; Tax-Exempt Agency Mortgage-Backed Refunding Securities, Series 2000D-1 dated June 15, 2000 - $280 due June 1, 2010 at 5.60%, $1,870 due December 1, 2025 at 6.10%, and $2,035 due June 1, 2026 at 7.50%; Series 2000D-2 dated June 15, 2000 – matured on June 29, 2001; Taxable Agency Mortgage-Backed Refunding Securities, Series 2000E dated June 15, 2000 - $415 due June 1, 2032 at 8.00% (plus premium on bonds of $402)	7,817	12,063
Single Family Mortgage Revenue Refunding Bonds, Series 2000G-1 dated November 15, 2000 - $3,855 due December 1, 2021 at 5.875% (less discount on bonds of $182)	3,673	5,705
Single Family Mortgage Revenue Refunding Bonds, Series 2000G-2 dated January 10, 2001 - $650 due June 1, 2020 at 5.45%; $1,360 due December 1, 2020 at 5.45%; $950 due December 1, 2031 at 5.55%; $3,335 due June 1, 2032 at 5.55%; and $5,655 due June 1, 2032 at 6.3% (plus premium on bonds of $554)	12,504	16,614

	2004	2003
Single Family Mortgage Revenue Refunding Bonds, Series 2001B-1 dated June 27, 2001 - $1,250 due December 1, 2021 at 5.4%; $2,015 due December 1, 2023 at 6.625%; $2,455 due June 1, 2032 at 5.5%; $2,170 due December 1, 2032 at 5.5%; $3,990 due December 1, 2033 at 5.25% thereafter 6.65%; Series 2001B-2 dated June 27, 2001 - $2,685 due June 1, 2018 at 5.0% thereafter 6.625%; and Series 2001C dated June 27, 2001 - $240 due December 1, 2033 at 6.110% (plus premium on bonds of $996)	15,801	20,404
Single Family Mortgage Revenue Refunding, Series 2003A at May 29, 2003 $8,190 due June 1, 2026 at 5.125%, Series 2003A $3,000 due June 1, 2034, Series 2003A $3,695 due December 1, 2034 (plus premium on bonds of $516)	15,401	15,557
Single Family Mortgage Revenue Refunding, Series 2003C at December 11, 2003 $7,115 due December 1, 2024, Series 2003C $10,015 due December 1, 2026, Series 2003C $5,225 due June 1, 2034, Series 2003C $5,225 due December 31, 2034 (plus premium on bonds of $741)	28,321	30,817
Single Family Mortgage Revenue Refunding Bonds, Series 2004A dated June 17, 2004 - $1,435 due June 1, 2015 at 4.7%; $2,620 due December 1, 2024 at 5.1%; $2,740 due December 1, 2034 at 5.25%; $2,735 due June 1, 2035 at 5.25%; and $10,470 due December 1, 2035 at 5.9% (plus premium on bonds of $743)	20,743	-
Total bonds payable	154,538	187,870
Deferred loss on the 1989 (2000G Program) current refunding	-	(203)
	$ 154,538	168,035

The Authority is in compliance with its bond covenants.

The bonds in the 1991 (sold in 2002 are secured by an assignment and pledge of and security interest in: (i) all mortgage loans and the income therefrom (including all insurance proceeds with respect to the mortgage loans), (ii) the Authority's rights and interests in and to the agreement and (iii) all monies and securities held under the Trust Indentures, including monies in the funds and accounts created pursuant thereto (excluding certain monies representing excess investment earnings, if any, required to be remitted to the United States Government in accordance with the Trust Indentures).

Under the Trust Indentures, the Authority has the option to redeem bonds maturing on or after December 1, 2007 (1997A Program) at 102% of the then outstanding balance and subsequently lesser prices declining to par; April 1, 2008 (1998AC) at 102% of the then outstanding balance and subsequently lesser prices declining to par; June 1, 2009 long term bonds (1999AB Program) at 102% and June 1, 2009 premium bonds (1999AB Program) at 103% of the then outstanding balance and subsequently lesser prices declining to par; December 29, 2009 long term bonds (2000AB Program) at 103% of the then outstanding balance and subsequently lesser prices declining to par; June 1, 2010 long term bonds (2000CDE Program) at 102% and Series C-1 bonds at 105% of the then outstanding balance and subsequently lesser prices declining to par; December 1, 2010 long term bonds (2000G1 Program) at 102% at the then outstanding balance and subsequently lesser prices declining to par, and December 1, 2010 long term bonds (2000G2 and 2001BC) at 102% at the then outstanding balance and subsequently lesser prices declining to par and December 1, 2011 at 101% at the then outstanding balance and subsequently lesser prices declining to par. The Authority has no option to redeem bonds in the 1994 Program.

In 2001, the 1985/1994R Program was sold resulting in a gain of $76,456. The gain is included in investment income on mortgage loans. In 2000, the 1989 Program was defeased and the 2000G1 bonds were issued in conjunction with the defeasance. Consequently, all residual funds from the 1989 Program were transferred to the 2000G1 Program upon its defeasance. In addition, the 1990 Program redeemed its bonds in their entirety at 102% of par.

In 1999, the Authority entered into a line of credit agreement with a local bank, with an interest rate of 5.5%, secured by the 1999C bonds. The Authority authorized the issuance of $75,000,000 Single Family Mortgage Revenue Refunding Bonds, Series 1999C to be issued as a draw down bond. The bonds proceeds will be used to refund portions of one or more of the Authority's outstanding bond issues. This program was defeased by the 2002B Program in 2002, with an initial interest rate of 1.42% with variable interest rates thereafter equal to the BMA Index plus 60 basis points.

In 2003, the Authority entered into a second line of credit agreement with a local bank, with an initial interest rate of 1.10% with variable rates thereafter equal to 99.1% of the Taxable Interest Rate, not to exceed the maximum rate of 12% per annum, secured by the 2003B bonds. The Authority authorized the issuance of $75,000,000 Single Family Mortgage Revenue Refunding Bonds, Series 2003B to be issued as a draw down bond. The bonds proceeds will be used to refund portions of one or more of the Authority's outstanding bond issues.

In 2004, the Authority entered into a third line of credit agreement with a local bank, with an initial interest rate of 1.79% with variable rates thereafter equal to 100% of the Taxable Interest Rate, not to exceed the maximum rate of 12% per annum, secured by the 2004B Bonds. The Authority authorized the issuance of $75,000,000 Single Family Mortgage Revenue Refunding Bonds, Series 2004B to be issued as a draw down bond. The bonds proceeds will be used to refund portions of one or more of the Authority's outstanding bond issues.

While the 1991 program had no scheduled maturities until 2012, principal and interest prepayments were made each year based on the amount of mortgage loan principal and interest payments received. Each of the other bond programs has early bond calls based on the timing of the receipt of mortgage loan principal and interest payments. As excess cash is accumulated, the Authority is required to issue bond calls.

The principal balance on defeased bonds outstanding at December 31 are as follows:

		2004	2003
1979 Program - (defeased by the 1991 Program)	$	51,550,000	51,550,000
1985 Program - (defeased by the 1994 "1985" Program)	$	32,595,000	32,595,000
1991 Program (sold)	$	1,500,000	676,000

5) Deferred Commitment Fees

No commitment fees were deferred as of December 31, 2004 and 2003.

(6) Net Assets

The net assets included in the 1991 Program, totaling $2,691,000 and $3,452,000 as of December 31, 2004 and 2003, respectively, are for the benefit of all Programs and available to the Authority for its purpose of promoting and providing residential housing in the Parish of Jefferson. Although unrestricted to a particular program, the unrestricted net assets must be maintained by the Authority until all bonds and programs are liquidated. The remaining net assets are restricted for specific operating uses as described in the trust indentures.

(7) Commitments

In February 1997, the Authority signed an operating lease for office space for a term of ten years, beginning on May 1, 1997 and ending on April 30, 2007. The lease requires an annual payment of $17,160.

PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

Notes to Financial Statements
(in thousands)

December 31, 2004

A summary of scheduled bond maturities (in thousands) as of December 31, 2004 is as follows:

	2005	2006	2007	2008	2009	2010-2014	2015-2019	2020-2024	2025-2029	2030-2034	2035-2039	Premiums (Discounts)	Total
Principal:													
1994 Program	-	-	-	-	-	-	-	-	1,730	-	-		1,730
1995 Program	-	-	-	-	-	-	-	-	2,675	-	-	-	2,675
1996 Program	-	-	-	-	-	-	-	-	5,905	-	-	-	5,905
1997A Program	-	-	-	-	-	-	-	2,045	5,295	-	-	-	7,340
1998AC Program	-	-	-	-	-	-	-	3,835	9,750	-	-	169	13,754
1999AB Program	-	-	-	-	-	160	-	-	4,350	9,020	-	345	13,875
2000 AB Program	-	-	-	-	-	-	-	1,175	-	3,540	-	285	5,000
2000 CDE Program	-	-	-	-	-	280	-	-	4,465	2,670	-	401	7,816
2000 G1 Program	-	-	-	-	-	-	-	3,855	-	-	-	(182)	3,673
2000 G2 Program	-	-	-	-	-	-	-	2,010	-	9,940	-	555	12,505
2001 BC Program	-	-	-	-	-	-	2,685	3,265	-	8,855	-	996	15,801
2003A Program	-	-	-	-	-	-	-	-	8,190	6,695	-	516	15,401
2003C Program	-	-	-	-	-	-	-	7,115	10,015	10,450	-	741	28,321
2004A Program	-	-	-	-	-	-	1,435	2,620	-	2,740	13,205	742	20,742
Total	-	-	-	-	-	440	4,120	25,920	52,375	53,910	13,205	4,568	154,538
Interest:													
1994 Program	131	131	131	131	131	653	653	653	261	-	-	-	2,875
1995 Program	178	178	178	178	178	889	889	889	356	-	-	-	3,913
1996 Program	363	363	363	363	363	1,816	1,816	1,816	1,453	-	-	-	8,716
1997A Program	425	425	425	425	425	2,124	2,124	2,009	1,239	-	-	-	9,621
1998AC Program	718	718	718	718	718	3,589	3,589	3,589	2,165	-	-	-	16,522
1999AB Program	835	835	835	835	835	4,161	4,137	4,137	3,391	747	-	-	20,748
2000 AB Program	329	329	329	329	329	1,643	1,643	1,568	1,267	332	-	-	8,098
2000 CDE Program	501	501	501	501	501	2,444	2,428	2,428	1,514	445	-	-	11,764
2000 G1 Program	226	226	226	226	226	1,132	1,132	453	-	-	-	-	3,847
2000 G2 Program	703	703	703	703	703	3,516	3,516	3,078	2,968	1,729	-	-	18,322
2001 BC Program	913	913	913	913	913	4,566	4,388	3,341	2,672	1,883	-	-	21,415
2003A Program	754	754	754	754	754	3,773	3,773	3,773	2,513	1,674	-	-	19,276
2003C Program	1,394	1,394	1,394	1,394	1,394	6,967	6,967	6,967	3,714	2,612	-	-	34,197
2004A Program	1,106	1,106	1,106	1,106	1,106	5,531	5,261	5,194	4,526	4,526	761	-	31,329
Total due each year	8,576	8,576	8,576	8,576	8,576	37,273	42,316	39,895	28,039	13,948	761	-	125,841
Total due	$ 8,576	8,576	8,576	8,576	8,576	37,713	46,436	65,815	80,414	67,858	13,966	4,568	280,379

PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

Schedule of Assets, Liabilities and Net Assets by Program
(in thousands)

As of December 31, 2004
(See Accompanying Independent Auditor's Report)

Assets	1991 Program	1994 Program	1995 Program	1996 Program	1997A Program	1998AC Program	1999AB Program	2000AB Program	2000CDE Program	2000G-1 Program	2000G-2 Program	2001BC Program	2002B Program	2003 A Program	2003 B Program	2003 C Program	2004 A Program	2004 B Program	Total
Cash and cash equivalents	$ 1,184	4	3	3	25	55	28	51	361	1,680	4	-	3	98	-	63	28	6	3,596
Investment securities, at fair value	1,494	67	196	332	83	996	862	965	861	353	925	1,077	16,724	142	-	27,836	13,481	33,283	99,677
Mortgage loans receivable and mortgage-backed securities	-	1,805	2,972	6,084	7,909	13,509	13,699	4,366	7,586	4,073	11,887	14,716	-	15,120	-	951	7,487	-	112,164
Accrued interest receivable	6	10	15	30	40	64	69	29	43	25	59	76	-	66	-	124	57	-	713
Bond issuance costs, net	-	53	90	76	129	214	186	171	220	137	287	454	-	280	70	484	366	85	3,302
Prepaid Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-				7
Total assets	$ 2,691	1,939	3,276	6,525	8,186	14,838	14,844	5,582	9,071	6,268	13,162	16,323	16,727	15,706	70	29,458	21,419	33,374	219,459
Liabilities and Net Assets																			
Liabilities:																			
Bonds payable, net	$ -	1,730	2,675	5,905	7,340	13,753	13,875	5,000	7,817	3,673	12,504	15,801	-	15,401	-	28,321	20,743	-	154,538
Line of credit payable to bank	-	-	-	-	-	-	-	-	-	-	-	-	16,724	-	-	-	-	33,283	50,007
Accrued interest payable	-	11	15	30	35	60	70	27	42	19	59	76	-	63	-	116	92	-	715
Deferred commitment fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due to/Due from other programs		-	-	-	-	-	-	-	-	-	-	-	-						-
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-						-
	-	1,741	2,690	5,935	7,375	13,813	13,945	5,027	7,859	3,692	12,563	15,877	16,724	15,464	-	28,437	20,835	33,283	205,260
Net Assets:																			
Restricted for debt	-	198	586	590	811	1,025	899	555	1,212	2,576	599	446	3	242	70	1,021	584	91	11,508
Unrestricted	2,691	-	-	-	-	-	-	-	-	-	-	-	-	-	-				2,691
Total net assets	2,691	198	586	590	811	1,025	899	555	1,212	2,576	599	446	3	242	70	1,021	584	91	14,199
Total liabilities and net assets	$ 2,691	1,939	3,276	6,525	8,186	14,838	14,844	5,582	9,071	6,268	13,162	16,323	16,727	15,706	70	29,458	21,419	33,374	219,459

See auditors' report

Schedule 2

PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

Schedule of Revenues, Expenses, and Changes in Net Assets by Program
(in thousands)

For the year ended December 31, 2004
(See Accompanying Independent Auditor's Report)

	1991 Program	1994 Program	1995 Program	1996 Program	1997A Program	1998AC Program	1999AB Program	2000AB Program	2000CDE Program	2000G-1 Program	2000G-2 Program	2001BC Program	2002B Program	2003 A Program	2003 B Program	2003 C Program	2004A Program	2004B Program	Total
Operating revenues:																			
Investment income on mortgage loans	$ -	164	245	475	793	954	938	423	607	401	832	1,036	309	780	-	85	100	-	8,142
Appreciation (depreciation) in market value of investments	21	(59)	(96)	(138)	(578)	(128)	(130)	(210)	(219)	(219)	(156)	(241)	-	(55)	-	-	(11)	-	(2,219)
Investment income on investments	10	22	17	31	89	84	61	60	71	47	64	67	-	32	269	858	136	145	2,063
Commitment fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Servicer Release Fee	61	-	-																61
Miscellaneous Revenue	23		-														-		23
Total operating revenues	115	127	166	368	304	910	869	273	459	229	740	862	309	757	269	943	225	145	8,070
Operating expenses:																			
Interest on debt	-	(8) 175	215	428	511	852	926	435	612	321	793	971	308	717	269	1,367	394	145	9,439
Amortization of bond issuance costs and other costs	5	5	16	58	12	20	17	16	20	16	23	40	-	22	4	61	28	5	368
Servicing fees	-	10	16	34	35	76	75	30	46	23	68	83	-	65	-	88	25	-	674
Mortgage loan insurance costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trustee fees	17	-	1	4	7	4	6	4	4	4	5	6	-	6	-	11	4	-	83
Other operating expenses	525		-	-	-	-	100	-	-	-	-	-	-	-	1	-	-	-	626
Total operating expenses	547	190	248	524	565	952	1,124	485	682	364	889	1,100	308	810	274	1,527	451	150	11,190
Change in net assets before other financing sources (uses)	(432)	(63)	(82)	(156)	(261)	(42)	(255)	(212)	(223)	(135)	(149)	(238)	1	(53)	(5)	(584)	(226)	(5)	(3,120)
Other financing sources (uses)																			
Operating transfers	(329)	(2)	(8)	(16)	(21)	(37)	(30)	(14)	(21)	(11)	(32)	(38)	-	(136)	(3)	(208)	810	96	-
Change in net assets	(761)	(65)	(90)	(172)	(282)	(79)	(285)	(226)	(244)	(146)	(181)	(276)	1	(189)	(8)	(792)	584	91	(3,120)
Net assets at beginning of the period	3,452	263	676	762	1,093	1,104	1,184	781	1,456	2,722	780	722	2	431	78	1,813	-	-	17,319
Net assets at end of the period	$ 2,691	198	586	590	811	1,025	899	555	1,212	2,576	599	446	3	242	70	1,021	584	91	14,199

See auditors' report

Schedule of Cash Flows by Program
(in thousands)

For the year ended December 31, 2004
(See Accompanying Independent Auditor's Report)

	1991 Program	1994 Program	1995 Program	1996 Program	1997A Program	1998AC Program	1999AB Program	2000AB Program	2000CDE Program	2000G-1 Program	2000G-2 Program	2001 BC Program	2002 B Program	2003 A Program	2003 B Program	2003 C Program	2004 A Program	2004B Program	Total
Cash receipts for:																			
Investment income on mortgage loans	$ -	169	251	485	838	975	955	444	631	412	850	1,064	-	730	-	87	65	-	7,956
Investment income on investments	22	23	17	31	50	83	60	57	70	46	63	65	309	45	269	1,134	115	145	2,604
Cash payments for:																			
Interest on debt	-	(181)	(222)	(439)	(520)	(886)	(974)	(481)	(672)	(309)	(857)	(1,082)	(308)	(759)	(269)	(1,409)	(359)	(145)	(9,872)
Servicing fees	-	(10)	(16)	(34)	(35)	(76)	(75)	(30)	(46)	(23)	(68)	(83)	-	(65)	-	(88)	(25)	-	(674)
Other revenue	61			-		(4)	(6)			-									51
Other operating expenses	(519)	-	-	(4)	(7)	-	(100)	(4)	(4)	(4)	(5)	(6)	-	(6)	(1)	(11)	(4)	-	(675)
Net cash provided by (used in) operating activities	(436)	1	30	39	326	92	(140)	(14)	(21)	122	(17)	(42)	1	(55)	(1)	(287)	(208)	-	(610)
Cash flows from noncapital financing activities -																			
Bond proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-	20,742	-	20,742
Bonds redeemed	-	(895)	(1,200)	(2,085)	(2,080)	(4,105)	(3,225)	(3,135)	(4,210)	(1,850)	(4,065)	(4,515)	-	(115)	-	(2,420)	-	-	(33,900)
Line of credit redeemed		-	-	-	-	-	-	-	-	-	-	-	(9,120)	-	(24,336)	-	-	-	(33,456)
Bond issue costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(11)	(338)	(90)	(439)
Operating transfers	(329)	(2)	(8)	(16)	(21)	(37)	(30)	(14)	(21)	(11)	(32)	(38)	-	(136)	(3)	(208)	810	96	-
Net cash provided by (used in) noncapital financing activities	(329)	(897)	(1,208)	(2,101)	(2,101)	(4,142)	(3,255)	(3,149)	(4,231)	(1,861)	(4,097)	(4,553)	(9,120)	(251)	(24,339)	(2,639)	21,214	6	(47,053)
Cash flows from investing activities																			
Proceeds from sale of investment	893	205	22		-							-	9,120	12,193	24,336	21,593			68,362
Acquisition of investments	-	-	-	(74)	(7,574)	(259)	(268)	(523)	(34)	(61)	(219)	(430)	-	-	-	-	(13,481)	(33,283)	(56,206)
Acquisition of mortgage loans	-	-	-	-	-	-	-	-	-	-	-	-	-	(11,789)		(19,112)	(7,497)		(38,398)
Principal receipts from mortgage loans	-	691	1,156	2,134	9,305	4,309	3,506	3,630	4,200	1,883	4,328	4,972	-	-	-	300	-	33,283	73,697
Proceeds (purchase) from real estate owned, net	-	-	-	-	-	-	-	-	-		-	-	-						-
Net cash provided by (used in) investing activities	893	896	1,178	2,060	1,731	4,050	3,238	3,107	4,166	1,822	4,109	4,542	9,120	404	24,336	2,781	(20,978)	-	47,455
Net increase (decrease) in cash and cash equivalents	128	-	-	(2)	(44)	-	(157)	(56)	(86)	83	(5)	(53)	1	98	(4)	(145)	28	6	(208)
Cash and cash equivalents at beginning of period	1,056	4	3	5	69	55	185	107	447	1,597	9	54	2	-	4	208	-	-	3,805
Cash and cash equivalents at end of period	$ 1,184	4	3	3	25	55	28	51	361	1,680	4	1	3	98	-	63	28	6	3,597
Cash provided by (used in) operating activities:																			
Net change in net assets	$ (432)	(63)	(82)	(156)	(261)	(41)	(255)	(212)	(223)	(135)	(149)	(239)	1	(53)	(5)	(584)	(226)	(5)	(3,120)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:																			
Amortization of bond issuance and other costs	5	5	16	58	12	20	17	16	20	16	23	40	-	22	4	61	28	5	368
Amortization of bond (premium) discount	-	-	-	-	-	(16)	(32)	(27)	(37)	21	(44)	(87)	-	(41)	-	(76)	(57)	-	(396)
Unrealized (gains) losses on investments	(20)	59	96	138	578	128	130	210	219	219	156	241	-	55	-	353	11	-	2,573
Changes in assets and liabilities:																			
(Increase) decrease in accrued interest receivables	11	5	6	10	7	19	16	17	24	10	17	26	-	(38)	-	35	92	-	257
(Increase) decrease in prepaid insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(Increase) decrease in other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-						-
Increase (decrease) in accrued interest payable	-	(5)	(6)	(11)	(10)	(18)	(16)	(18)	(24)	(9)	(20)	(23)	-	-	-	(76)	(56)	-	(292)
Net cash provided by (used in) operating activities	$ (436)	1	30	39	326	92	(140)	(14)	(21)	122	(17)	(42)	1	(55)	(1)	(287)	(208)	-	(610)

See auditors' report

PARISH OF JEFFERSON HOME MORTGAGE AUTHORITY

Schedule of Board Members' Compensation

December 31, 2004 and 2003

The members of the Authority's Board of Trustees receive per diem payments for meetings attended and services rendered and are also reimbursed for actual expenses incurred in the performance of their duties as members of the Board of Trustees. For the year ended December 31, 2003, the following per diem payments were made to the members of the Authority's board:

Number of Meetings:

	Regular Per Diems	Extra Per Diems	2004 Total
Bicknell, Margaret R.	46	19	65
Bourg, Alton L.	46	23	69
Dunn, Lester	35	20	55
Fradella, Frank	42	19	61
Johnson, Marvin	39	17	56
Lambert, Robert J.	43	15	58
Lay, Fred M.	3	1	4
Lewis, Joseph R.	6	-	6
Tusa, Robert	35	9	44
Wimberly, Dorothy H.	34	12	46

Per Diem Payments:

		2004
Bicknell, Margaret R.	$	6,500
Bourg, Alton L.		6,900
Dunn, Lester		5,500
Fradella, Frank		6,100
Johnson, Marvin		5,600
Lambert, Robert J.		5,800
Lay, Fred M.		400
Lewis, Joseph R.		600
Tusa, Robert		4,400
Wimberly, Dorothy H.		4,600
	$	46,400

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REPORT ON INTERNAL CONTROL AND COMPLIANCE OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORANCE WITH *GOVERNMENT AUDITING STANDARDS*

Commissioners
Parish of Jefferson Home Mortgage Authority
Gretna, Louisiana:

We have audited the financial statements of Parish of Jefferson Home Mortgage Authority (the Authority), as of and for the year ended December 31, 2004, and have issued our report thereon dated February 28, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control 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 control over reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority'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*.

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This report is intended solely for the information and use of the Board, the Authority's management and federal awarding agencies and pass-through entities, such as the State of Louisiana and Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties.

Postlethwaite & Netterville

Metairie, Louisiana
February 28, 2005

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