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**Monroe-West Monroe (Ouachita Parish)  
Public Trust Financing Authority**

**Financial Statements**

**For The Years Ended July 31, 2000 and 1999**

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

Release Date 2-21-01

**LITTLE & BANKS** LLC  
CERTIFIED PUBLIC ACCOUNTANTS

**MONROE-WEST MONROE (OUACHITA PARISH)  
PUBLIC TRUST FINANCING AUTHORITY**

**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JULY 31, 2000 AND 1999**

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**LITTLE & BANKS LLC**  
CERTIFIED PUBLIC ACCOUNTANTS

Wm. TODD LITTLE, CPA  
KERRY J. BANKS, CPA  
CHARLES R. MARCHBANKS, JR., CPA

**INDEPENDENT AUDITORS' REPORT**

To the Board of Trustees of the  
Monroe-West Monroe (Ouachita Parish)  
Public Trust Financing Authority  
Monroe, Louisiana

We have audited the accompanying individual program and unrestricted fund balance sheets of the Monroe-West Monroe (Ouachita Parish) Public Trust Financing Authority (the "Authority") as of July 31, 2000, and the related individual statements of revenues, expenses and changes in fund balances (deficits) and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Monroe-West Monroe (Ouachita Parish) Public Trust Financing Authority as of and for the year ended July 31, 1999, were audited by other auditors whose report dated November 24, 1999, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of each of the individual programs and the unrestricted fund of the Authority as of July 31, 2000, and their revenues, expenses and changes in fund balances (deficits) and their cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2000, 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.

*Little & Banks LLC*

West Monroe, Louisiana  
December 12, 2000

**MONROE-WEST MONROE (OUACHITA PARISH)  
PUBLIC TRUST FINANCING AUTHORITY**

**INDIVIDUAL FUND BALANCE SHEETS  
JULY 31, 2000 (IN THOUSANDS)**

ASSETS	1979 Program	1988 Program	1990A Program	1990B Program	1990C Program	Unrestricted Fund
Cash and cash equivalents	\$ 2,021	\$ 164	\$ 12	\$ -	\$ 221	\$ 29
Certificates of deposit	-	-	-	-	-	220
U.S. Government securities - at fair market value	22,612	-	-	-	4,916	2,784
Mortgage-backed securities	-	-	135	-	-	-
Mortgage loans receivable - net	-	3,964	-	-	151	4
Accrued interest receivable	-	62	1	-	2	10
Deferred financing costs - net of amortization	279	51	5	-	114	-
Other assets	-	6	-	-	-	-
	<u>\$ 24,912</u>	<u>\$ 4,247</u>	<u>\$ 153</u>	<u>\$ -</u>	<u>\$ 5,404</u>	<u>\$ 3,047</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Accrued interest payable	\$ 828	\$ 33	\$ 1	\$ -	\$ -	\$ -
Bonds Payable - net	<u>23,000</u>	<u>3,914</u>	<u>81</u>	<u>-</u>	<u>3,981</u>	<u>-</u>
Total Liabilities	23,828	3,947	82	-	3,981	-
Fund balances	<u>1,084</u>	<u>300</u>	<u>71</u>	<u>-</u>	<u>1,423</u>	<u>3,047</u>
	<u>\$ 24,912</u>	<u>\$ 4,247</u>	<u>\$ 153</u>	<u>\$ -</u>	<u>\$ 5,404</u>	<u>\$ 3,047</u>

See notes to individual fund financial statements.

**MONROE-WEST MONROE (OUACHITA PARISH)  
PUBLIC TRUST FINANCING AUTHORITY**

**INDIVIDUAL FUND STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES (DEFICITS)  
YEAR ENDED JULY 31, 2000 (IN THOUSANDS)**

	1979 Program	1988 Program	1990A Program	1990B Program	1990C Program	Unrestricted Fund
<b>REVENUES</b>						
Interest on mortgage loans/mortgage-backed securities	\$ -	\$ 743	\$ 18	\$ -	\$ 19	\$ -
Interest on investments	1,287	8	-	-	110	194
Miscellaneous receipts	-	-	-	-	-	46
	<u>1,287</u>	<u>751</u>	<u>18</u>	<u>-</u>	<u>129</u>	<u>240</u>
<b>EXPENSES</b>						
Interest	1,656	657	12	-	300	-
Amortization of deferred financing costs	13	16	9	-	4	-
Servicing fees	-	23	-	-	-	-
Mortgage loan insurance costs	-	11	-	-	-	-
Operating expense	5	3	2	-	1	16
	<u>1,674</u>	<u>710</u>	<u>23</u>	<u>-</u>	<u>305</u>	<u>16</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	(387)	41	(5)	-	(176)	224
<b>TRANSFERS AMONG PROGRAMS</b>	-	-	-	(4,812)	4,812	-
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR</b>	<u>1,471</u>	<u>259</u>	<u>76</u>	<u>4,812</u>	<u>(3,213)</u>	<u>2,823</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 1,084</u>	<u>\$ 300</u>	<u>\$ 71</u>	<u>\$ -</u>	<u>\$ 1,423</u>	<u>\$ 3,047</u>

See notes to individual fund financial statements.

**MONROE-WEST MONROE (OUACHITA PARISH)  
PUBLIC TRUST FINANCING AUTHORITY**

**INDIVIDUAL FUND STATEMENTS OF CASH FLOWS  
YEAR ENDED JULY 31, 2000 (IN THOUSANDS)**

	1979	1988	1990A	1990B	1990C	Unrestricted Fund
	Program	Program	Program	Program	Program	
	\$	\$	\$	\$	\$	\$
<b>OPERATING ACTIVITIES</b>						
Excess (deficiency) of revenues over expenses	-	(274)	-	-	(298)	-
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash provided by (used in) operating activities	13	17	9	-	4	-
Discount accretion on mortgage loans	(1,898)	(8)	-	-	(8)	(222)
Amortization of deferred financing costs	611	-	-	-	196	29
Interest on investments	1,656	657	12	-	300	-
Unrealized loss on investments	-	22	1	-	3	(1)
Interest on bonds payable	-	2	-	-	-	-
Decrease (increase) in mortgage interest receivable	-	-	-	-	-	-
Decrease in other assets	-	-	-	-	-	-
Principal collected on mortgage loans/mortgage-backed securities	-	1,142	156	-	113	-
Net cash provided by (used in) operating activities	(5)	1,599	173	-	134	30
<b>INVESTING ACTIVITIES</b>						
Proceeds from maturity/sale of investments	2,320	-	-	-	-	(220)
Interest received on investments	526	8	-	-	7	44
Net cash provided by (used in) investing activities	2,846	8	-	-	7	(176)
<b>NON-CAPITAL FINANCING ACTIVITIES</b>						
Bond redemptions	(1,020)	(1,116)	(161)	-	-	-
Interest paid on bonds payable	(1,692)	(445)	(14)	-	-	-
Transfers among programs	-	-	-	(80)	80	-
Net cash provided by (used in) financing activities	(2,712)	(1,561)	(175)	(80)	80	-

(Continued)

**MONROE-WEST MONROE (OUACHITA PARISH)  
PUBLIC TRUST FINANCING AUTHORITY**

**INDIVIDUAL FUND STATEMENTS OF CASH FLOWS  
YEAR ENDED JULY 31, 2000 (IN THOUSANDS)**

	1979 Program	1988 Program	1990A Program	1990B Program	1990C Program	Unrestricted Fund
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	129	46	(2)	(80)	221	(146)
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	<u>1,892</u>	<u>118</u>	<u>14</u>	<u>80</u>	<u>-</u>	<u>175</u>
CASH AND CASH EQUIVALENTS END OF YEAR	<u>\$ 2,021</u>	<u>\$ 164</u>	<u>\$ 12</u>	<u>\$ -</u>	<u>\$ 221</u>	<u>\$ 29</u>

**SCHEDULE OF NONCASH FINANCING ACTIVITIES**

Transfer of \$12,000,000 par value of Federal National Mortgage Association Debentures DTD 7/5/84, coupon due 7/5/14	<u>\$ (4,464)</u>	<u>\$ 4,464</u>
Transfer of accrued interest receivable	<u>\$ (5)</u>	<u>\$ 5</u>
Transfer of mortgage loans receivable	<u>\$ (263)</u>	<u>\$ 263</u>

See notes to individual fund financial statements.

(Concluded)

**MONROE-WEST MONROE (OUACHITA PARISH)  
PUBLIC TRUST FINANCING AUTHORITY**

INDIVIDUAL FUND BALANCE SHEETS  
JULY 31, 1999 (IN THOUSANDS)

	1979	1988	1990A	1990B	1990C	Unrestricted
ASSETS	Program	Program	Program	Program	Program	Fund
Cash and cash equivalents	\$ 1,892	\$ 118	\$ 14	\$ 80	\$ -	\$ 175
U.S. Government securities - at fair market value	24,167	-	-	4,464	350	2,634
Mortgage-backed securities	-	-	291	-	-	-
Mortgage loans receivable - net	-	4,832	-	263	-	4
Accrued interest receivable	4	83	2	5	-	10
Deferred financing costs - net of amortization	292	67	14	-	118	-
Other assets	-	9	-	-	-	-
	<u>\$ 26,355</u>	<u>\$ 5,109</u>	<u>\$ 321</u>	<u>\$ 4,812</u>	<u>\$ 468</u>	<u>\$ 2,823</u>
<b>LIABILITIES AND FUND BALANCES (DEFICIT)</b>						
Accrued interest payable	\$ 864	\$ 40	\$ 3	\$ -	\$ -	\$ -
Bonds Payable - net	<u>24,020</u>	<u>4,810</u>	<u>242</u>	<u>-</u>	<u>3,681</u>	<u>-</u>
Total Liabilities	24,884	4,850	245	-	3,681	-
Fund balances (deficit)	<u>1,471</u>	<u>259</u>	<u>76</u>	<u>4,812</u>	<u>(3,213)</u>	<u>2,823</u>
	<u>\$ 26,355</u>	<u>\$ 5,109</u>	<u>\$ 321</u>	<u>\$ 4,812</u>	<u>\$ 468</u>	<u>\$ 2,823</u>

See notes to individual fund financial statements.



**MONROE-WEST MONROE (OUACHITA PARISH)  
PUBLIC TRUST FINANCING AUTHORITY**

**INDIVIDUAL FUND STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES (DEFICIT)  
YEAR ENDED JULY 31, 1999 (IN THOUSANDS)**

	1979	1988	1990A	1990B	1990C	Unrestricted
	Program	Program	Program	Program	Program	Fund
<b>REVENUES</b>						
Interest on mortgage loans/mortgage-backed securities	\$ -	\$ 892	\$ 34	\$ 25	\$ -	\$ -
Interest on investments	676	8	-	(224)	-	41
Claim payment receipts	-	68	-	-	-	-
	<u>676</u>	<u>968</u>	<u>34</u>	<u>(199)</u>	<u>-</u>	<u>41</u>
<b>EXPENSES</b>						
Interest	1,733	777	28	62	277	-
Amortization of deferred financing costs	13	23	15	7	4	-
Servicing fees	-	28	-	1	-	-
Mortgage loan insurance costs	-	12	-	-	-	-
Operating expense	10	5	2	-	-	15
	<u>1,756</u>	<u>845</u>	<u>45</u>	<u>70</u>	<u>281</u>	<u>15</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	(1,080)	123	(11)	(269)	(281)	26
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR</b>	<u>2,551</u>	<u>136</u>	<u>87</u>	<u>5,081</u>	<u>(2,932)</u>	<u>2,797</u>
<b>FUND BALANCES (DEFICIT), END OF YEAR</b>	<u>\$ 1,471</u>	<u>\$ 259</u>	<u>\$ 76</u>	<u>\$ 4,812</u>	<u>\$ (3,213)</u>	<u>\$ 2,823</u>

See notes to individual fund financial statements.

**MONROE-WEST MONROE (OUACHITA PARISH)  
PUBLIC TRUST FINANCING AUTHORITY**

**INDIVIDUAL FUND STATEMENTS OF CASH FLOWS  
YEAR ENDED JULY 31, 1999 (IN THOUSANDS)**

	1979 Program	1988 Program	1990A Program	1990B Program	1990C Program	Unrestricted Fund
	\$ (1,080)	\$ 123	\$ (11)	\$ (269)	\$ (281)	\$ 26
<b>OPERATING ACTIVITIES</b>						
Excess (deficiency) of revenues over expenses	-	(335)	-	-	-	-
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash provided by (used in) operating activities	13	23	15	7	4	-
Discount accretion on mortgage loans	(1,943)	(8)	-	(277)	-	(206)
Amortization of deferred financing costs	1,267	-	-	501	-	165
Interest on investments	1,733	777	28	62	277	-
Unrealized loss on investments	1	2	2	1	-	(1)
Interest on bonds payable	-	1	-	-	-	-
Decrease (increase) in mortgage interest receivable	-	-	-	-	-	-
Decrease in other assets	-	-	-	-	-	-
Principal collected on mortgage loans/mortgage-backed securities	-	1,572	260	82	-	-
Net cash provided by (used in) operating activities	(9)	2,155	294	107	-	(16)
<b>INVESTING ACTIVITIES</b>						
Proceeds from maturity/sale of investments	1,311	-	-	-	-	-
Interest received on investments	1,444	8	-	1	-	42
Net cash provided by investing activities	2,755	8	-	1	-	42
<b>NON-CAPITAL FINANCING ACTIVITIES</b>						
Bond Redemptions	(930)	(1,397)	(265)	(47)	-	-
Interest paid on bonds payable	(1,765)	(787)	(30)	(63)	-	-
Transfers among programs	-	-	-	-	-	-
Net cash used in financing activities	(2,695)	(2,184)	(295)	(110)	-	-

(Continued)

**MONROE-WEST MONROE (OUACHITA PARISH)  
PUBLIC TRUST FINANCING AUTHORITY**

**INDIVIDUAL FUND STATEMENTS OF CASH FLOWS  
YEAR ENDED JULY 31, 1999 (IN THOUSANDS)**

	1979 Program	1988 Program	1990A Program	1990B Program	1990C Program	Unrestricted Fund
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	51	(21)	(1)	(2)	-	26
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,841</u>	<u>139</u>	<u>15</u>	<u>82</u>	<u>-</u>	<u>149</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,892</u>	<u>\$ 118</u>	<u>\$ 14</u>	<u>\$ 80</u>	<u>\$ -</u>	<u>\$ 175</u>

See notes to individual fund financial statements.

(Concluded)

**MONROE-WEST MONROE (OUACHITA PARISH)  
PUBLIC TRUST FINANCING AUTHORITY  
NOTES TO THE INDIVIDUAL FUND STATEMENTS  
FOR THE YEARS ENDED JULY 31, 2000 AND 1999**

**1. ORGANIZATION**

The Monroe-West Monroe (Ouachita Parish) Public Trust Financing Authority (the Authority) was created through a Trust Indenture dated February 28, 1979, pursuant to provisions of Chapter 2-A of Title 9 of the Louisiana Revised Statutes of 1950, as amended. The initial legislation and subsequent amendments grant the Authority the power to obtain funds and to use them to promote the financing and development of any essential program conducted in the public interest within the boundaries of Ouachita Parish, Louisiana.

The Authority's operations were originated through two single family mortgage revenue bond programs issued in 1979 and 1980 under which the Authority promoted residential home ownership through the acquisition of mortgage loans secured by first mortgage liens on single family residential housing.

On July 27, 1988, the Authority issued \$26,756,893 in Taxable Collateralized Mortgage Refunding Bonds dated July 1, 1988 (the 1988 Program), for the purpose of providing for the satisfaction of all future debt service obligations of the outstanding bonds of the Authority's 1979 Program. The Authority entered into an Escrow Deposit Agreement with a local bank pursuant to which there have been deposited sufficient funds and U. S. Government Obligations (as defined in the 1979 Indenture) to provide for repayment of the 1979 bonds pursuant to the 1979 Indenture. Simultaneously, the mortgage loans receivable and certain funds of the 1979 Program were transferred to the 1988 Program and to the Authority's Unrestricted Fund. The Authority provided additional security for the repayment of the Bonds Payable in the amount of \$110,000 on the date of refinancing. This amount is included in U. S. Government Securities and will revert to the Unrestricted Fund when the Bonds are paid.

On November 30, 1990, the Authority issued \$3,360,000 in Revenue Refunding Bonds (the 1990A Program) and \$1,560,000 in Taxable Refunding bonds (the 1990B Program). On December 31, 1990, the Authority issued \$12,000,000 par value in Tax-Exempt Capital Appreciation Refunding Bonds (1990C Program). The proceeds from these bonds along with the proceeds from the sale of the 1980 Program investments were used to redeem the outstanding 1980 program bonds payable. Simultaneously, the 1980 Program mortgage loans receivable were transferred to the 1990A and 1990B Programs. Upon redemption of all 1990B Program bonds payable during fiscal year 2000, the remaining assets in the 1990B Program reverted to the 1990C Program as security for its bonds payable.

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

**MONROE-WEST MONROE (OUACHITA PARISH)  
PUBLIC TRUST FINANCING AUTHORITY  
NOTES TO THE INDIVIDUAL FUND STATEMENTS  
FOR THE YEARS ENDED JULY 31, 2000 AND 1999**

**1. ORGANIZATION (CONTINUED)**

The Authority's Board of Trustees is empowered under the bond trust indentures and the bond program agreements to contract with outside parties to conduct the day-to-day operations of the programs. The Authority utilizes area financial institutions to service the mortgage loans acquired. In addition, two financial institutions have been designated as trustees of the separate bond programs and have the fiduciary responsibility for the custody and investment of funds. The Board of Trustees may, in their discretion, transfer any or all of the assets of the Authority which are not pledged to the payment of any bonds or other evidence of indebtedness of the Authority to the City of Monroe and the City of West Monroe in the ratio of 57.2% and 42.8%, respectively.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES**

*Basis of Accounting and Reporting* - The Authority follows the accrual basis of accounting and operates certain funds established by the Bond Trust Indentures. The funds, which are maintained by the Trustees, provide for the accounting for bonds issued, debt service and bond redemption requirements, investments, and related revenues and expenses. The individual funds for each bond program are aggregated in the accompanying individual fund financial statements.

*Amortization* - Bond issuance costs, including underwriters' discount on bonds sold, are being amortized over the lives of the bonds, using the effective interest method.

Deferred financing costs related to bonds called in accordance with the early redemption provisions, as described in the Bond Trust Indentures, are charged to expense in the year that such bonds are called.

Discounts are amortized over the lives of the related assets or liabilities as yield adjustments based upon the principal amounts outstanding.

*Statement of Cash Flows* - For purposes of the statement of cash flows, the Authority considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

*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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

**MONROE-WEST MONROE (OUACHITA PARISH)  
PUBLIC TRUST FINANCING AUTHORITY  
NOTES TO THE INDIVIDUAL FUND STATEMENTS  
FOR THE YEARS ENDED JULY 31, 2000 AND 1999**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES  
(CONTINUED)**

*Investments* - During the year ended July 31, 1998, the Authority adopted the provision of Government Accounting Standards Board Statement (GASBS) No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools". GASBS No. 31 requires that all investments be reported at fair value with gains and losses included in the statements of revenues, expenses and changes in fund balances (deficits). Fair value is defined as the amount at which a financial instrument could be exchanged in a current transaction between willing parties and has generally been based upon quoted values. This method of accounting causes fluctuations in reported investment values based on fluctuations in the investment market. Fluctuations in the fair value of investments are recorded as income or expense in the statements of revenues, expenses and changes in fund balances (deficits), and the amount is disclosed in the statements of cash flows as unrealized (gain) loss on investments. Following is a summary of the unrealized gains (losses) as reflected in the accompanying financial statements:

	Balance August 1, 1999	<u>Unrealized Gain (Loss)</u>	
		Change During The Year Ended July 31, 2000	Balance July 31, 2000
1979 Program	\$ 3,388	\$ (611)	\$2,777
1990B Program	1,168	(1,168)	0
1990C Program	0	972	972
Unrestricted	470	(29)	441

**3. CASH AND INVESTMENTS**

The Authority's programs and unrestricted fund maintain deposits at the trustee banks. The balances of these deposits at July 31, 2000 and 1999, were entirely insured. The Authority also has unrestricted funds, classified as "Cash and Cash Equivalents" on the balance sheet, which represent interests in insured money market mutual funds which are not held at the trustee banks.

In addition to the deposits described above, the Authority also has investments in U.S. Government and U.S. Government Agency securities. Investments are stated at fair value with gains and losses included in the statements of revenues, expenses, and changes in fund balances (deficits).

**MONROE-WEST MONROE (OUACHITA PARISH)  
PUBLIC TRUST FINANCING AUTHORITY  
NOTES TO THE INDIVIDUAL FUND STATEMENTS  
FOR THE YEARS ENDED JULY 31, 2000 AND 1999**

**3. CASH AND INVESTMENTS (CONTINUED)**

A schedule of U.S. Government and U.S. Government Agency securities held is as follows:

	<u>1979</u>	<u>1988</u>	<u>1990A</u>	<u>1990B</u>	<u>1990C</u>	<u>Unrestricted Fund</u>
Amortized cost at July 31, 2000	\$ 19,835	\$ -	\$ -	\$ -	\$ 3,944	\$ 2,343
Unrealized Gain	<u>2,777</u>	-	-	-	<u>972</u>	<u>441</u>
Fair Value at July 31, 2000	<u>\$22,612</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,916</u>	<u>\$ 2,784</u>

The U.S. Government securities of the 1979 Program and the 1990A Program are restricted for debt service on the respective Program's bonds and payment of various program expenses. All securities are held by the trustee banks in the Authority's name.

**4. MORTGAGE LOANS RECEIVABLE**

The 1988 Program's mortgage loans receivable were originally acquired under the 1979 Program and were transferred to the 1988 Program at a discount upon the 1979 Program's defeasement. These notes have stated interest rates of 7.875% yielding approximately 11.3%, have scheduled maturities in 2009, and are secured by first mortgages on the related real property. The remaining unamortized discount on mortgage loans was approximately \$1,655,008 and \$1,928,613 at July 31, 2000 and 1999, respectively.

The 1990A Program's mortgage-backed securities represent Federal Home Loan Mortgage Corporation securities collateralized by mortgage loans receivable originally acquired under the 1980 Program. These loans bear interest rates of 9.625%, have scheduled maturities in 2000, and are secured by first mortgages on the related real property.

The 1990C Program's mortgage loans receivable were originally acquired under the 1980 Program and were transferred to the 1990B Program upon the 1980 Program's redemption. During fiscal year 2000, the mortgage loans receivable were transferred to the 1990C Program upon the 1990B Program's redemption. These notes have stated interest rates of 9.625%, have scheduled maturities in 2000, and are secured by first mortgages on the related real property.

The mortgage loans receivable are serviced by the participating mortgage lenders who receive monthly compensation based upon the unpaid principal balances of the mortgage loans. The mortgage loans were made through conventional, FHA, and VA programs sponsored by the various participating mortgage lenders. In addition to the customary insurance required of the mortgagors, the Authority has obtained insurance on the mortgage loans under a supplemental hazard policy, service performance bonds, and a master trust policy for mortgagor defaults.

**MONROE-WEST MONROE (OUACHITA PARISH)  
PUBLIC TRUST FINANCING AUTHORITY  
NOTES TO THE INDIVIDUAL FUND STATEMENTS  
FOR THE YEARS ENDED JULY 31, 2000 AND 1999**

**5. BONDS PAYABLE**

Each program's bond debt service requirements are secured by the assets and revenues of the respective program in accordance with the respective bond trust indenture. Outstanding bonds payable are due on a term and serial basis and bear interest at rates as follows at July 31, 2000 and 1999:

	<u>2000</u>	<u>1999</u>
1979 Program:		
Single Family Mortgage Revenue Bonds, Due serially and term through 2011, 6.5% to 7.2% stated rate	<u>\$ 23,000</u>	<u>\$ 24,020</u>
1988 Program:		
Single Family Mortgage Revenue Bonds, Due June 30, 2011, 7.30% stated rate, Less related discount	\$ 5,478 <u>(1,564)</u>	\$ 6,593 <u>(1,783)</u>
	<u>\$ 3,914</u>	<u>\$ 4,810</u>
1990A Program:		
Refunding Bonds, due May 20, 2002, 8.5% stated rate	<u>\$ 81</u>	<u>\$ 242</u>
1990C Program:		
Tax-Exempt Capital Appreciation Refunding Bonds, due August 20, 2014, 7.86% effective Yield Less related discount	\$ 12,000 <u>(8,019)</u>	\$12,000 <u>(8,319)</u>
	<u>\$ 3,981</u>	<u>\$ 3,681</u>

The 1988 Program and 1990A Program bonds are structured such that the monthly principal remittances received from mortgage loans are passed through to bondholders as monthly principal redemptions of bonds payable. The 1990C Program bonds are compound interest bonds; interest is paid to bondholders at maturity. The bonds are subject to early redemption provisions as described in the respective Bond Trust Indentures at redemption prices equal to the principal amounts of the bonds redeemed plus accrued interest to the applicable call dates. In connection with early bond redemptions, deferred financing costs related to the bonds called are charged to expense.



**MONROE-WEST MONROE (OUACHITA PARISH)  
PUBLIC TRUST FINANCING AUTHORITY  
NOTES TO THE INDIVIDUAL FUND STATEMENTS  
FOR THE YEARS ENDED JULY 31, 2000 AND 1999**

**5. BONDS PAYABLE (CONTINUED)**

Scheduled 1979 Program bond principal maturities for each of the next five fiscal years are as follows (in thousands):

2001	\$1,185
2002	\$1,285
2003	\$1,385
2004	\$1,495
2005	\$1,620

**6. BOARD OF TRUSTEES EXPENSES**

The members of the Authority's Board of Trustees receive no fees for their services but are reimbursed for their actual travel expenses incurred in the performance of their duties as Trustees of the Authority.

**7. DISTRIBUTION TO CITIES**

During fiscal 2000 and 1999, the Authority made no distributions from the Unrestricted Fund to the cities of Monroe and West Monroe, Louisiana.

**8. SUBSEQUENT EVENTS**

On October 11, 2000, the Authority's Board of Trustees agreed to distributions to the Cities of Monroe and West Monroe. Upon receiving a formal request from the City of Monroe reflecting the use of the funds for a qualified purpose, the Authority made a distribution in the amount of \$500,000 to the City of Monroe. The Authority also authorized a \$101,135 distribution to be paid to the City of West Monroe for the purpose of re-allocating the overall distributions to the Cities of Monroe and West Monroe in proportion to their respective interests in the Authority. Also, on October 11, 2000, the Board of Trustees of the Authority agreed to maintain a moratorium on future distributions until such time as there is more certainty as to the future expenses to be incurred by the Authority.

**OTHER INDEPENDENT AUDITORS' REPORT**



**LITTLE & BANKS** LLC  
CERTIFIED PUBLIC ACCOUNTANTS

Wm. TODD LITTLE, CPA  
KERRY J. BANKS, CPA  
CHARLES R. MARCHBANKS, JR., CPA

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

To the Board of Trustees of the  
Monroe-West Monroe (Ouachita Parish)  
Public Trust Financing Authority  
Monroe, Louisiana

We have audited the financial statements of the Monroe-West Monroe (Ouachita Parish) Public Trust Financing Authority (the "Authority") as of and for the year ended July 31, 2000, and have issued our report thereon dated December 12, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Monroe-West Monroe (Ouachita Parish) Public Trust Financing 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 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 financial reporting and its operation that we considered to be material weaknesses.

This report is intended solely for the information and use of management and the Board of Trustees of the Authority and the State of Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

*Little & Banker LLC*

West Monroe, Louisiana  
December 12, 2000