

RECEIVED  
MAY 11 1993  
00120 -3 PM 1:36

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

**Financial Statements**

**For The Years Ended July 31, 2002 and 2001**

Under provisions of state law, this report is a public document. A copy of this report shall be made available to the entity and every citizen of the state. This report is available for public use and is set in the State House office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/12/03

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

**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JULY 31, 2002 AND 2001**

**TABLE OF CONTENTS**

	<b><u>PAGE</u></b>
Independent Auditors' Report	2
<b>Financial Statements</b>	
Individual Fund Balance Sheets as of July 31, 2002	3
Individual Fund Statements of Revenues, Expenses, and Changes in Fund Balances for the Year Ended July 31, 2002	4
Individual Fund Statements of Cash Flows for the Year Ended July 31, 2002	5-6
Individual Fund Balance Sheets as of July 31, 2001	7
Individual Fund Statements of Revenues, Expenses, and Changes in Fund Balances for the Year Ended July 31, 2001	8
Individual Fund Statements of Cash Flows for the Year Ended July 31, 2001	9-10
Notes to Individual Fund Statements	11-15
<b>Other Independent Auditors' Report</b>	
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	16-17



**LITTLE & ASSOCIATES**  
CERTIFIED PUBLIC ACCOUNTANTS

Wm. THOMAS LITTLE, CPA  
JAMES G. BERRY, CPA  
CHANDLER MARCHAND, JR., CPA

**INDEPENDENT AUDITORS' REPORT**

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

We have audited the accompanying individual programs and consolidated fund balance sheets of the Monroe-West Monroe (Ouachita Parish) Public Trust Financing Authority (the "Authority") as of July 31, 2002 and 2001, and the related individual statements of revenues, expenses and changes in fund balances 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 audit.

We conducted our audits in accordance with U.S. generally accepted auditing standards and 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material aspects, the financial position of each of the individual programs and the consolidated fund of the Authority as of July 31, 2002 and 2001, and their revenues, expenses and changes in fund balances and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated November 19, 2002, 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 & Associates*

Monroe, Louisiana  
November 15, 2002

**MONROE-WEST MONROE PARISH  
PUBLIC TRUST FINANCING AUTHORITY**

**INDIVIDUAL FUND BALANCE SHEETS  
JULY 31, 2020 (IN THOUSANDS)**

ASSETS	1979	1988	1994	2000	Unassigned
	Program	Program	Program	Program	Fund
Cash and cash equivalents	\$ 2,129	\$ 138	\$ -	\$ 438	\$ 14
Certificates of deposit	-	-	-	-	245
U.S. Government securities - at fair market value	21,076	-	-	6,581	2,751
Mortgage-backed securities	-	-	-	-	-
Mortgage loans receivable - net	-	2,582	-	99	-
Accrued interest receivable	3	26	-	1	18
Deferred financing costs - net of amortization	188	21	-	184	-
Other assets	-	4	-	-	-
	<u>\$ 24,463</u>	<u>\$ 2,737</u>	<u>\$ -</u>	<u>\$ 7,184</u>	<u>\$ 3,029</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Accrued interest payable	\$ 759	\$ 21	\$ -	\$ -	\$ -
Bonds Payable - net	<u>20,500</u>	<u>2,972</u>	<u>-</u>	<u>4,857</u>	<u>-</u>
Total Liabilities	21,259	2,993	-	4,857	-
Fund balances	<u>3,183</u>	<u>744</u>	<u>-</u>	<u>2,461</u>	<u>3,029</u>
	<u>\$ 24,442</u>	<u>\$ 2,737</u>	<u>\$ -</u>	<u>\$ 7,118</u>	<u>\$ 3,029</u>

See notes to individual fund financial statements.

**NICOSHO-WEST MORTGAGE LOUACHITA PARISH  
PUBLIC TRUST FINANCING AUTHORITY**

**INDIVIDUAL FUND STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES  
YEAR ENDED JULY 31, 2010 (IN THOUSANDS)**

	1979	1988	1988A	1988C	Unencumbered Fund
	Program	Program	Program	Program	
<b>REVENUES</b>					
Interest on mortgage loan/average funded amount	\$ -	\$ 508	\$ -	\$ 768	\$ -
Interest on investments	2,077	3	2	4	246
Gain on disposal of investments	-	-	-	-	9
	<u>2,077</u>	<u>511</u>	<u>2</u>	<u>772</u>	<u>255</u>
<b>EXPENSES</b>					
Interest	1,478	500	-	350	-
Amortization of deferred financing costs	14	11	-	3	-
Servicing fees	5	18	2	1	-
Mortgage loan insurance costs	-	7	-	-	-
Operating expense	-	-	-	-	28
Distributions to grantor/owners	-	-	-	-	-
	<u>1,497</u>	<u>536</u>	<u>2</u>	<u>357</u>	<u>28</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	680	25	-	415	247
<b>TRANSFERS AMONG PROGRAMS</b>	-	-	(68)	68	-
<b>FUND BALANCES, BEGINNING OF YEAR</b>	2,465	318	68	1,537	2,772
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 3,145</u>	<u>\$ 343</u>	<u>\$ -</u>	<u>\$ 2,461</u>	<u>\$ 3,020</u>

See notes to individual fund financial statements.

**MONROE-WEST MONROHE (OLIVACHITA PARISH)  
PUBLIC TRUST FINANCING AUTHORITY**

**INDIVIDUAL FUND STATEMENTS OF CASH FLOWS  
YEAR ENDED JULY 31, 2002 (IN THOUSANDS)**

	1999 Programs	1998 Programs	1999A Programs	1999C Programs	Unrestricted Fund
<b>OPERATING ACTIVITIES</b>	\$ 658	\$ 25	\$ -	\$ 425	\$ 347
Excess (deficiency) of revenues over expenses	-	(252)	-	(252)	-
Adjustments to available assets (deficiency) of revenues over expenses to net cash provided by (used in) operating activities	16	11	-	3	-
Proceeds received on mortgage loans	(1,714)	(7)	(2)	(6)	(1729)
Amortization of deferred financing costs	(484)	-	-	(628)	(600)
Interest on investments	-	-	-	-	(9)
Unsettled gain on investments	1,478	908	-	(51)	-
Gain on sale of investments	-	19	-	1	-
Interest on bonds payable	-	1	-	-	4
Decrease (Increase) in mortgage interest receivable	-	-	-	-	-
Decrease in other assets	-	-	-	-	-
Principal received on mortgage investments (net of asset securities)	-	(96)	-	36	-
Net cash provided by (used in) operating activities	16	1,293	(2)	2	(241)
<b>INVESTED ACTIVITIES</b>					
Proceeds from maturity/redm of investments	2,186	-	21	-	482
Purchases of investments	-	-	-	-	(419)
Interest received on investments	721	3	2	6	38
Net cash provided by (used in) investing activities	2,907	3	23	6	21
<b>NON-CAPITAL FINANCING ACTIVITIES</b>					
Bond redemptions	(1,283)	(988)	-	-	-
Interest paid on bonds payable	(1,318)	(298)	-	-	-
Taxation among programs	-	-	(68)	(68)	-
Net cash provided by (used in) financing activities	(2,601)	(1,286)	(68)	(68)	-

(Continued)

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

**INDIVIDUAL FUND STATEMENTS OF CASH FLOWS  
YEAR ENDING JULY 31, 2020 (IN THOUSANDS)**

	1979 Program	1986 Program	1993 Program	1999 Program	Unrestricted Fund
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	51	5	(28)	123	(2)
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	1,003	133	26	560	12
CASH AND CASH EQUIVALENTS END OF YEAR	<u>\$ 1,125</u>	<u>\$ 138</u>	<u>\$ -</u>	<u>\$ 683</u>	<u>\$ 14</u>

See notes to individual fund financial statements.

(Continued)

**MONROE-WEST MONROE COLLECHITA PARISH  
PUBLIC TRUST FINANCING AUTHORITY**

**INDIVIDUAL FUND BALANCE SHEETS  
JULY 31, 2011 (IN THOUSANDS)**

<b>ASSETS</b>	<b>2009 Program</b>	<b>2008 Program</b>	<b>2008 Program</b>	<b>2008 Program</b>	<b>2008 Program</b>	<b>Unrestricted Fund</b>
Cash and cash equivalents	\$ 2,073	\$ 133	\$ 38	\$ 300	\$	11
Certificates of deposit	-	-	-	-	-	128
U.S. Government securities - at fair market value	12,745	-	-	3,217	-	3,521
Mortgage-backed securities	-	-	31	-	-	-
Mortgage loan receivable - net	-	3,278	-	58	4	4
Accrued interest receivable	3	46	-	2	10	10
Deferred financing costs - net of amortization	264	38	-	109	-	-
Other assets	-	3	-	-	-	-
	<u>\$ 15,085</u>	<u>\$ 3,900</u>	<u>\$ 69</u>	<u>\$ 4,280</u>	<u>\$ 2,771</u>	
<b>LIABILITIES AND FUND BALANCES</b>						
Accrued interest payable	\$ 389	\$ 28	\$ -	\$ -	\$ -	-
Bonds Payable - net	<u>15,815</u>	<u>3,015</u>	-	<u>4,306</u>	-	-
Total Liabilities	<u>\$ 16,204</u>	<u>\$ 3,043</u>	<u>\$ 69</u>	<u>\$ 4,306</u>	<u>\$ 2,771</u>	
Fund balances	<u>\$ 15,085</u>	<u>\$ 3,900</u>	<u>\$ 69</u>	<u>\$ 4,303</u>	<u>\$ 2,771</u>	

See notes to individual fund financial statements.



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

**INDIVIDUAL FUND STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES (DEFICITS)  
YEAR ENDED JULY 31, 2001 (IN THOUSANDS)**

	1979 Program	1980 Program	1985 Program	1986 Program	Unassigned Fund
<b>REVENUES</b>					
Interest on mortgage loan/swap/asset-backed securities	\$ -	\$ 682	\$ 6	\$ 11	\$ -
Interest on investments	2,985	8	1	804	130
Gain on sale of investments	-	-	-	-	128
	<u>2,985</u>	<u>690</u>	<u>7</u>	<u>815</u>	<u>158</u>
<b>EXPENSES</b>					
Interest	1,271	287	2	203	-
Amortization of deferred financing costs	15	12	5	5	-
Servicing fees	5	20	-	1	-
Mortgage loan insurance costs	-	8	-	-	-
Operating expense	-	5	2	-	26
Distributions to governments	-	-	-	-	681
	<u>1,291</u>	<u>332</u>	<u>7</u>	<u>219</u>	<u>627</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<u>1,694</u>	<u>358</u>	<u>(2)</u>	<u>596</u>	<u>(469)</u>
<b>TRANSFERS AMONG PROGRAMS</b>	(3)	-	-	-	3
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR</b>	<u>1,684</u>	<u>300</u>	<u>71</u>	<u>1,472</u>	<u>5,047</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 2,488</u>	<u>\$ 309</u>	<u>\$ 69</u>	<u>\$ 1,867</u>	<u>\$ 2,773</u>

See notes to individual fund financial statements.

**MONROE WEST MONROE PARISHES PARISH**  
**PUBLIC TRUST FINANCING AUTHORITY**

INDIVIDUAL FUND STATEMENTS OF CASH FLOWS  
 YEAR ENDED JULY 31, 2004 (IN THOUSANDS)

	1999 Program	2000 Program	2001 Program	2002 Program	2003 Program	Unrestricted Fund
<b>OPERATING ACTIVITIES</b>	\$ 1,404	\$ 29	\$ (2)	\$ 504	\$ 504	\$ (217)
Increase (decrease) of interest asset accounts	-	(268)	-	-	(268)	-
Adjustments to reconcile assets (liabilities) of investment asset	12	12	2	2	2	-
expenses to net cash provided by (used in) operating activities	(1,087)	(71)	(71)	(246)	(246)	(288)
Decrease (increase) in mortgage loans	(1,189)	-	-	(268)	(268)	(41)
amortization of deferred financing costs	-	-	-	-	-	(228)
Interest on investments	-	-	-	-	-	-
Unrealized gain on investments	-	-	-	-	-	-
Gain on sale of investments	1,251	287	2	208	-	-
Interest on bonds payable	-	16	-	-	-	-
Decrease (Increase) in mortgage interest receivable	-	1	-	-	-	-
Increase in other assets	-	-	-	-	-	-
Principal reflected on mortgage loan/mortgage backed	-	583	184	26	26	-
securities	-	-	-	-	-	-
Net cash provided by (used in) operating activities	(2)	1,504	182	25	25	(827)
<b>INVESTING ACTIVITIES</b>						
Proceeds from maturity/sale of investments	2,445	-	-	-	-	243
Interest received on investments	413	7	7	24	24	49
Net cash provided by (used in) investing activities	2,858	7	7	24	24	292
<b>DEBT-CAPITAL FINANCING ACTIVITIES</b>						
Bond redemptions	(1,182)	(886)	(81)	-	-	-
Interest paid on bonds payable	(1,813)	(216)	(2)	-	-	-
Transfers among programs	(3)	-	-	-	-	3
Net cash provided by (used in) financing activities	(2,801)	(1,172)	(83)	-	-	3

(Continued)

**MONROE-WEST MONSIEUR PARISH PUBLIC TRUST FINANCING AUTHORITY**

INDIVIDUAL FUND STATEMENTS OF CASH FLOWS  
YEAR ENDED JULY 31, 2001 (IN THOUSANDS)

	1999 Program	1998 Program	1997A Program	1996C Program	Unrestricted Fund
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	32	(21)	28	79	(23)
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	<u>2,821</u>	<u>564</u>	<u>12</u>	<u>121</u>	<u>29</u>
CASH AND CASH EQUIVALENTS END OF YEAR	<u>\$ 2,853</u>	<u>\$ 543</u>	<u>\$ 40</u>	<u>\$ 500</u>	<u>\$ 17</u>

See notes to individual fund financial statements.

(Continued)

**MONROE-WEST MONROE (OUACHITA PARISH)  
PUBLIC TRUST FINANCING AUTHORITY  
NOTES TO THE INDIVIDUAL FUND STATEMENTS  
FOR THE YEARS ENDED JULY 31, 2002 AND 2001**

**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 considered to be 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 \$26,726,850 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 these 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 \$212,000 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 \$1,260,000 in Revenue Refunding Bonds (the 1990A Program) and \$1,260,000 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, the remaining assets in the 1990B Program have reverted to the 1990C Program as security for its bonds payable. Additionally, upon redemption of all 1990A Program bonds payable, the remaining assets in the 1990A Program have reverted to the 1990C Program bonds 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.

The Authority's Board of Trustees is empowered under the bond trust indentures and the bond program agreements or contract with outside parties to conduct the day-to-day operations of the program. The Authority utilizes area financial institutions to service the mortgage loans accounted. 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 37.2% and 42.8%, respectively.

MOVING-WEST MONROE (OUACHITA PARISH)  
PUBLIC TRUST FINANCING AUTHORITY  
NOTES TO THE INDIVIDUAL FUND STATEMENTS  
FOR THE YEARS ENDED JULY 31, 2002 AND 2001

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 Ordinances. The funds, which are maintained by the Trustee, 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' discounts 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 Ordinances, 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 U.S. 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 these estimates.

**Investment** – In accordance with provisions of Government Accounting Standards Board Statement (GASBS) No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," the Authority reports all investments at fair value with gains and losses included in the statements of revenues, expenses and changes in fund balances. 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 (deficit), and the amount is disclosed in the statements of cash flows as unrealized (gain) loss on securities.

**MONROE-WEST MONROE (COLLACHITA PARISH)  
PUBLIC TRUST FINANCING AUTHORITY  
NOTES TO THE INDIVIDUAL FUND STATEMENTS  
FOR THE YEARS ENDED JULY 31, 2002 AND 2001**

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

Following is a summary of the unrealized gains (losses) as reflected in the accompanying financial statements:

	Unrealized Gain (Loss)		
	Balance	Change During	Balance
	August 1, 2001	The Year Ended July 31, 2002	July 31, 2002
1979 Program	\$ 2,965	\$ 454	\$ 4,449
1990C Program	1,088	429	1,817
Unrestricted	481	93	574

**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, 2002 and 2001 were entirely insured. The Authority also has unrestricted funds, classified as "Cash and Cash Equivalents" on the balance sheet, which represent interest in unsecured money market mutual funds.

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

	1979	1982	1991A	1990C	Unrestricted Fund
Amortized cost at July 31, 2002	\$ 17,627	\$ -	\$ -	\$ 4,624	\$ 2,177
Unrealized Gain	4,482	—	—	1,567	324
Fair Value at July 31, 2002	<u>\$ 22,109</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 6,191</u>	<u>\$ 2,501</u>

The U.S. Government securities of the 1979 Program and the 1990C 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.

MONROE-WEST MONROE POLYCHITA PARISH  
PUBLIC TRUST FINANCING AUTHORITY  
NOTES TO THE INDIVIDUAL FUND STATEMENTS  
FOR THE YEARS ENDED JULY 31, 2002 AND 2001

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

During fiscal year 2001 the Authority liquidated zero-coupon bonds with book value of \$442,739. A gain of \$129,490 resulted from this transaction and is reported in the financial statements in the Unrestricted Fund.

**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 10.3%, base calculated maturities in 2029, and are secured by first mortgages on the related real property. The remaining unamortized discount on mortgage loans was approximately \$1,054,790 and \$1,398,581 at July 31, 2002 and 2001, respectively.

The 1998C Program's mortgage loans receivable were originally acquired under the 1990 Program and were transferred, first to the 1990B Program upon the 1990 Program's redemption. During fiscal year 2000, the mortgage loans receivable were transferred to the 1998C Program upon the 1990B Program's redemption. These notes have stated interest rates of 9.625%, base calculated maturities in 2002, 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 mortgage defaults.

**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 indentures. Outstanding bonds payable are due on a term and serial basis and bear interest at rates as follows at July 31, 2002 and 2001:

	2002	2001
<b>1979 Program:</b>		
Single Family Mortgage Revenue Bonds, Due serially and term through 2011, 6.3% to 7.2% stated rate	\$ 33,100	\$ 21,815
<b>1988 Program:</b>		
Single Family Mortgage Revenue Bonds, Due June 30, 2011, 7.00% stated rate, Less related discount	\$ 3,485 (1,155)	\$ 4,430 (1,945)
	<b>\$ 3,330</b>	<b>\$ 3,135</b>

MONROE WEST MONROE (OUACHITA PARISH)  
PUBLIC TRUST FINANCING AUTHORITY  
NOTES TO THE INDIVIDUAL FUND STATEMENTS  
FOR THE YEARS ENDED JULY 31, 2002 AND 2001

**3. BONDS PAYABLE (continued)**

199C Program:

Tax-Exempt Capital Appreciation Refunding  
Bonds, due August 30, 2014, 7.80% effective  
Yield  
Less related discount

	\$ 12,000	\$ 12,000
	<u>(7,543)</u>	<u>(7,690)</u>
	<u>\$ 4,457</u>	<u>\$ 4,310</u>

The 199C Program bonds are structured such that the monthly principal payments received from mortgage loans are passed through to bondholders as monthly principal redemptions of bonds payable. The 199C 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 Instruments 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. Scheduled 1979 Program bond principal maturities for each of the next five fiscal years are as follows (in thousands):

2003	\$ 1,385
2004	\$ 1,481
2005	\$ 1,620
2006	\$ 1,770
2007	\$ 1,881

**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 year 2002, the Authority made no distributions from the Unreserved Fund to the cities of Monroe and West Monroe, Louisiana. During fiscal year 2001, the Authority made distributions of \$500,000 and \$100,136 to the cities of Monroe and West Monroe, respectively. The Board of Trustees of the Authority further agreed during fiscal year 2001, 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 & ASSOCIATES**  
CERTIFIED PUBLIC ACCOUNTANTS

1600 LITTLE BLVD  
JAMES C. ROSS, CPA  
CHARLES R. HARTSHORN, 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  
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 years ended July 31, 2002 and 2001, and have issued our report thereon dated November 25, 2002. We conducted our audits in accordance with U.S. 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.

**Conclusion**

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 audits 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 audits, 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 risk to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all instances 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 instances 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. Under Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*L. Keith & Associates*

Monroe, Louisiana  
November 25, 2002