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

Financial Statements

For The Years Ended July 31, 2012 and 2011

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

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JULY 31, 2012 AND 2011

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LITTLE & ASSOCIATES LLC
CERTIFIED PUBLIC ACCOUNTANTS

Wm. TODD LITTLE, 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, 2012 and 2011, 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 audits.

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 audits 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 previously 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, 2012 and 2011, 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 January 30, 2013, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Little & Associates, LLC
Monroe, Louisiana
January 30, 2013

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

INDIVIDUAL FUND BALANCE SHEETS
JULY 31, 2012 (IN THOUSANDS)

ASSETS	1979 Program	1990C Program	Unrestricted Fund
Cash and cash equivalents	$ -	$ 551	$ 125
Certificates of deposit	-	-	25
U.S. Government securities - at fair market value	-	12,170	-
Deferred financing costs - net of amortization	-	26	-
	$ -	$ 12,747	$ 150
LIABILITIES AND FUND BALANCES			
Bonds Payable - net	$ -	$ 10,193	$ -
Total Liabilities	-	10,193	-
Fund balances	-	2,554	150
	$ -	$ 12,747	$ 150

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
YEAR ENDED JULY 31, 2012 (IN THOUSANDS)

	1979 Program	1990C Program	Unrestricted Fund
REVENUES			
Interest on mortgage loans/mortgage-backed securities	$ -	$ 202	$ -
Interest on investments	-	-	14
	-	202	14
EXPENSES			
Interest	5	768	-
Amortization of deferred financing costs	45	11	-
Servicing fees	-	1	-
Operating expense	-	-	10
Distributions to governments	-	-	1,200
	50	780	1,210
EXCESS OF REVENUES OVER EXPENSES	(50)	(578)	(1,196)
TRANSFERS AMONG PROGRAMS	(1)	-	1
FUND BALANCES, BEGINNING OF YEAR	51	3,132	1,345
FUND BALANCES, END OF YEAR	$ -	$ 2,554	$ 150

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, 2012 (IN THOUSANDS)

	1979 Program	1990C Program	Unrestricted Fund
OPERATING ACTIVITIES			
Excess (deficiency) of revenues over expenses	$ (50)	$ (578)	$ (1,196)
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash provided by (used in) operating activities			
Discount accretion on mortgage loans	-	(844)	-
Amortization of deferred financing costs	45	11	-
Interest on investments	-	-	(14)
Unrealized (gain) loss on investments	-	642	-
Increase (Decrease) in Accounts Payable	-	-	(7)
Interest on bonds payable	5	768	-
Principal collected on mortgage loans	-	-	-
Net cash provided by (used in) operating activities	-	(1)	(1,217)
INVESTING ACTIVITIES			
Proceeds from maturity/sale of investments	-	-	1,219
Purchase of CD's	-	-	-
Interest received on investments	-	-	20
Net cash provided by (used in) investing activities	-	-	1,239
NON-CAPITAL FINANCING ACTIVITIES			
Bond redemptions	(4,525)	-	-
Interest paid on bonds payable	(168)	-	-
Transfers among programs	(1)	-	1
Net cash provided by (used in) financing activities	(4,694)	-	1

(Continued)

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

INDIVIDUAL FUND STATEMENTS OF CASH FLOWS
YEAR ENDED JULY 31, 2012 (IN THOUSANDS)

	1979 Program	1990C Program	Unrestricted Fund
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(4,694)	(1)	23
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	4,694	552	102
CASH AND CASH EQUIVALENTS END OF YEAR	$ -	$ 551	$ 125

(Concluded)

See notes to individual fund financial statements.

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

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

ASSETS	1979 Program	1990C Program	Unrestricted Fund
Cash and cash equivalents	$ 4,694	$ 552	$ 102
Certificates of deposit	-	-	1,244
U.S. Government securities - at fair market value	-	11,968	-
Mortgage loans receivable - net	-	-	-
Accrued Interest Receivable	-	-	6
Deferred financing costs - net of amortization	45	37	-
	$ 4,739	$ 12,557	$ 1,352
LIABILITIES AND FUND BALANCES			
Accrued interest payable	$ 163	$ -	$ -
Accounts Payable			7
Bonds Payable - net	4,525	9,425	-
Total Liabilities	4,688	9,425	7
Fund balances	51	3,132	1,345
	$ 4,739	$ 12,557	$ 1,352

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
YEAR ENDED JULY 31, 2011 (IN THOUSANDS)

	1979 Program	1990C Program	Unrestricted Fund
REVENUES			
Interest on mortgage loans/mortgage-backed securities	$ -	$ 464	$ -
Interest on investments	29	-	21
	29	464	21
EXPENSES			
Interest	326	710	-
Amortization of deferred financing costs	16	10	-
Servicing fees	-	1	-
Bad Debts			
Operating expense	-	-	25
	342	721	25
EXCESS OF REVENUES OVER EXPENSES	(313)	(257)	(4)
TRANSFERS AMONG PROGRAMS	3	(3)	-
FUND BALANCES, BEGINNING OF YEAR	361	3,392	1,349
FUND BALANCES, END OF YEAR	$ 51	$ 3,132	$ 1,345

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, 2011 (IN THOUSANDS)

	1979 Program	1990C Program	Unrestricted Fund
OPERATING ACTIVITIES			
Excess (deficiency) of revenues over expenses	$ (313)	$ (257)	$ (4)
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash provided by (used in) operating activities			
Discount accretion on mortgage loans	-	(774)	-
Amortization of deferred financing costs	16	10	-
Interest on investments	(407)	-	(21)
Unrealized (gain) loss on investments	378	311	-
Increase (Decrease) in Accounts Payable	-	-	7
Interest on bonds payable	326	710	-
Principal collected on mortgage loans	-	3	-
Net cash provided by (used in) operating activities	-	3	(18)
INVESTING ACTIVITIES			
Proceeds from maturity/sale of investments	4,851	-	-
Purchase of CD's	-	-	(999)
Interest received on investments	-	-	15
Net cash provided by (used in) investing activities	4,851	-	(984)
NON-CAPITAL FINANCING ACTIVITIES			
Bond redemptions	(1,205)	-	-
Interest paid on bonds payable	(370)	-	-
Transfers among programs	3	(3)	-
Net cash provided by (used in) financing activities	(1,572)	(3)	-

(Continued)

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

INDIVIDUAL FUND STATEMENTS OF CASH FLOWS
YEAR ENDED JULY 31, 2011 (IN THOUSANDS)

	1979 Program	1990C Program	Unrestricted Fund
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,279	-	(1,002)
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	1,415	552	1,104
CASH AND CASH EQUIVALENTS END OF YEAR	$ 4,694	$ 552	$ 102

(Concluded)

See notes to individual fund financial statements.

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. Upon redemption of all 1988 Program bonds payable during the year ended July 31, 2010, the remaining assets in the 1988 Program have been transferred to the Unrestricted Fund.

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, 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 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, Bank of New York Mellon Trust Company has been designated as trustee of the separate bond programs and has the fiduciary responsibility for the custody and investment of

1. ORGANIZATION (Continued)

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 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 those estimates.

Investments – 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 investments.

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) (in Thousands)		
	Balance August 1, 2011	Change During The Year Ended July 31, 2012	Balance July 31, 2012
1990C Program	$ 2,298	$ (642)	$ 1,656

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, 2012 and 2011 were entirely insured. Non-interest bearing deposits are insured in total by FDIC. Interest bearing deposits are insured up to $250,000 by FDIC. As of July 31, 2012, The Authority had no uninsured deposits.

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 (in thousands):

	1990C
Amortized cost at July 31, 2012	$ 10,514
Unrealized Gain	1,656
Fair Value at July 31, 2012	$ 12,170

The U.S. Government securities of 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.

4. 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, 2012 and 2011 (in thousands):

	2012	2011
1979 Program:		
Single Family Mortgage Revenue Bonds, Due serially and term through 2011, 6.5% to 7.2% stated rate	$ -	$ 4,525
1990C Program:		
Tax-Exempt Capital Appreciation Refunding Bonds, due August 20, 2014, 7.86% effective Yield	$ 12,000	$ 12,000
Less related discount	(1,807)	(2,575)
	$ 10,193	$ 9,425

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.

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

2013	$ -
2014	$ -
2015	$ 12,000
2016	$ -
2017	$ -

5. 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.

6. DISTRIBUTIONS

During fiscal year 2012, the Authority made distributions from the Unrestricted Fund to the City of Monroe in the amount of $543,400; the City of West Monroe in the amount of $406,600; and to the Greater Ouachita Port Commission in the amount of $250,000.

During fiscal year 2011, the Authority made no distributions from the Unrestricted Fund.

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LITTLE & ASSOCIATES LLC
CERTIFIED PUBLIC ACCOUNTANTS

Wm. TODD LITTLE, CPA
CHARLES R. MARCHBANKS, JR., CPA

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS 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 Monroe-West Monroe (Ouachita Parish) Public Trust Financing Authority (the Authority), as of and for the years ended June 30, 2012 and 2011, and have issued our report thereon dated January 30, 2013. 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.

Internal Control Over Financial Reporting

Management of the Authority is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audits, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.

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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 grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*

This report is intended solely for the information and use of the Board of Trustees of the Authority, management 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.

Little & Associates, LLC
Monroe, Louisiana
January 30, 2013