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

Financial Statements

For The Years Ended July 31, 2013 and 2012

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

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JULY 31, 2013 AND 2012

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LITTLE & ASSOCIATES LLC
CERTIFIED PUBLIC ACCOUNTANTS

Wm. TODD LITTLE, CPA

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying individual program and unrestricted fund balance sheets of Monroe-West Monroe (Ouachita Parish) Public Trust Financing Authority (the "Authority"), which comprise the statement of financial position as of July 31, 2013 and 2012, and the related individual statements of revenues, expenses and changes in fund balances and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 *Governmental 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2013 and 2012, and their revenues, expenses and changes in fund balances and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2014, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Habitat for Humanity of Ouachita, Inc.'s internal control over financial reporting and compliance.

Little & Associates, LLC

Monroe, LA
January 29, 2014

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

INDIVIDUAL FUND BALANCE SHEETS
JULY 31, 2013 (IN THOUSANDS)

ASSETS	1990C Program	Unrestricted Fund
Cash and cash equivalents	$ 550	$ 116
Certificates of deposit	-	25
U.S. Government securities - at fair market value	12,293	-
Deferred financing costs - net of amortization	14	-
	$ 12,857	$ 141
LIABILITIES AND FUND BALANCES		
Bonds Payable - net	$ 11,024	$ -
Total Liabilities	11,024	-
Fund balances	1,833	141
	$ 12,857	$ 141

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, 2013 (IN THOUSANDS)

	1979 Program	1990C Program	Unrestricted Fund
REVENUES			
Interest on mortgage loans/mortgage-backed securities	$ -	$ 123	$ -
Interest on investments	-	-	-
	-	123	-
EXPENSES			
Interest	-	831	-
Amortization of deferred financing costs	-	12	-
Servicing fees	-	1	-
Operating expense	-	-	9
Distributions to governments	-	-	-
	-	844	9
EXCESS OF REVENUES OVER EXPENSES	-	(721)	(9)
TRANSFERS AMONG PROGRAMS	-	-	-
FUND BALANCES, BEGINNING OF YEAR	-	2,554	150
FUND BALANCES, END OF YEAR	$ -	$ 1,833	$ 141

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, 2013 (IN THOUSANDS)

	1990C Program	Unrestricted Fund
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	$ (721)	$ (9)
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash provided by (used in) operating activities		
Discount accretion on mortgage loans	(920)	-
Amortization of deferred financing costs	12	-
Unrealized (gain) loss on investments	797	-
Interest on bonds payable	831	-
Net cash provided by (used in) operating activities	(1)	(9)
INVESTING ACTIVITIES		
Net cash provided by (used in) investing activities	-	-
NON-CAPITAL FINANCING ACTIVITIES		
Net cash provided by (used in) financing activities	-	-

(Continued)

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

INDIVIDUAL FUND STATEMENTS OF CASH FLOWS
YEAR ENDED JULY 31, 2013 (IN THOUSANDS)

	1990C Program	Unrestricted Fund
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1)	(9)
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	551	125
CASH AND CASH EQUIVALENTS END OF YEAR	$ 550	$ 116

(Concluded)

See notes to individual fund financial statements.

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.

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, 2012	Change During The Year Ended July 31, 2013	Balance July 31, 2013
1990C Program	$ 1,656	$ (797)	$ 859

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, 2013 and 2012 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, 2013, 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, 2013	$ 11,084
Unrealized Gain	859
Fair Value at July 31, 2013, Using Quoted Prices in Active Markets for Identical Assets (Level I)	$ 11,943

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, 2013 and 2012 (in thousands):

	2013	2012
1979 Program:		
Single Family Mortgage Revenue Bonds, Due serially and term through 2011, 6.5% to 7.2% stated rate	$ -	$ -
1990C Program:		
Tax-Exempt Capital Appreciation Refunding Bonds, due August 20, 2014, 7.86% effective Yield	$ 12,000	$ 12,000
Less related discount	(976)	(1,807)
	$ 11,024	$ 10,193

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):

2014	$ -
2015	$ 12,000
2016	$ -
2017	$ -
2018	$ -

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 2013, the Authority made no distributions from the Unrestricted Fund.

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.

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LITTLE & ASSOCIATES LLC
CERTIFIED PUBLIC ACCOUNTANTS

Wm. TODD LITTLE, 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*

Independent Auditors' Report

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

We have audited, in accordance with the 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, the financial statements of Monroe-West Monroe (Ouachita Parish) Public Trust Financing Authority (the "Authority"), as of and for the year ended July 31, 2013, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated January 29, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Authority's internal control.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from 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.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Little & Associates, LLC

Monroe, Louisiana
January 29, 2014