

**LAFAYETTE PUBLIC TRUST
FINANCING AUTHORITY**

Lafayette, Louisiana

Financial Report

Year Ended March 31, 2025

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KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Stephen J. Anderson, CPA*
Matthew E. Margaglio, CPA*
Casey L. Ardoin, CPA, CFE*
Wanda F. Arcement, CPA
Bryan K. Joubert, CPA
Nicholas Fowlkes, CPA
Deidre L. Stock, CPA

Of Counsel
C. Burton Kolder, CPA*

Victor R. Slaven, CPA* - retired 2020
Christine C. Doucet, CPA - retired 2022
Gerald A. Thibodeaux, Jr., CPA* - retired 2024

183 S. Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141

1428 Metro Dr. 450 E. Main St.
Alexandria, LA 71301 New Iberia, LA 70560
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1201 David Dr.
Abbeville, LA 70510 Morgan City, LA 70380
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 11929 Bricksome Ave.
Ville Platte, LA 70586 Baton Rouge, LA 70816
Phone (337) 363-2792 Phone (225) 293-8300

WWW.KCSRCPAS.COM

INDEPENDENT AUDITOR'S REPORT

* A Professional Accounting Corporation

The Board of Trustees
Lafayette Public Trust Financing Authority
Lafayette, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Lafayette Public Trust Financing Authority (hereinafter "Authority"), a component unit of Lafayette City-Parish Consolidated Government, as of and for the year ended March 31, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Authority, as of March 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Emphasis of Matter

As discussed in Note 17 to the basic financial statements, the Authority had a prior year restatement. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the comparative balance sheet and the budgetary comparison schedule - revenues, expenditures, and changes in fund balance but does not include the basic financial statements and our auditors report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work we performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2025 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 effectiveness of the Authority's 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 the Authority's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
September 24, 2025

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Statement of Net Position
March 31, 2025

	Governmental Activities
ASSETS	
Current assets:	
Cash and interest-bearing deposits	\$ 2,955,761
Investments	3,551,865
Rent receivable, net	31,877
Notes receivable	56,870
Mortgages receivable, net	249,055
Accrued interest receivable	621,556
Other receivables	2,759,217
Lease receivable	183,044
Total current assets	<u>10,409,245</u>
Noncurrent assets:	
Restricted investments	1,179,710
Mortgages receivable, net	1,032,851
Notes receivable	3,920,234
Lease receivable	265,344
Investment in companies	8,424,158
Capital assets, net	6,148,470
Total noncurrent assets	<u>20,970,767</u>
Total assets	<u>31,380,012</u>
LIABILITIES	
Current liabilities:	
Accounts payable	673,976
Retainage payable	72,075
Payroll and related costs	6,695
Compensated absences	44,335
Security deposits	11,051
Note payable	53,087
Lease payable	4,164
Total current liabilities	<u>865,383</u>
Noncurrent liabilities:	
Compensated absences	4,247
Note payable	1,126,623
Lease payable	1,568,666
Total noncurrent liabilities	<u>2,699,536</u>
Total liabilities	<u>3,564,919</u>
DEFERRED INFLOW OF RESOURCES	
Lease revenue	<u>448,388</u>
NET POSITION	
Net investment in capital assets	3,899,304
Unrestricted	<u>23,467,401</u>
Total net position	<u>\$ 27,366,705</u>

The accompanying notes are an integral part of the basic financial statements.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Statement of Activities
For the Year Ended March 31, 2025

Activities	Expenses	Program Revenues		Net (Expense) Revenues and Changes in
		Charges for Services	Capital Grants and Contributions	Net Position
				Governmental Activities
Governmental activities:				
General government	\$ 3,022,076	\$308,960	\$ 300,675	\$ (2,412,441)
Interest on long-term debt	92,064	-	-	(92,064)
Total governmental activities	<u>\$ 3,114,140</u>	<u>\$308,960</u>	<u>\$ 300,675</u>	<u>(2,504,505)</u>
General revenues:				
Interest and investment earnings				640,178
Other revenue				<u>48,378</u>
Total general revenues				<u>688,556</u>
Change in net position				(1,815,949)
Net position, beginning as restated				<u>29,182,654</u>
Net position, ending				<u>\$ 27,366,705</u>

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Balance Sheet - Governmental Fund
March 31, 2025

	<u>General</u>
ASSETS	
Current assets:	
Cash and interest-bearing deposits	\$ 2,955,761
Investments	3,551,865
Rent receivable, net	31,877
Notes receivable	56,870
Mortgages receivable, net	249,055
Accrued interest receivable	621,556
Other receivables	2,759,217
Leases receivable	<u>183,044</u>
Total current assets	<u>10,409,245</u>
Restricted investments	1,179,710
Mortgages receivable, net	1,032,851
Leases receivable	265,344
Notes receivable	<u>3,920,234</u>
Total noncurrent assets	<u>6,398,139</u>
Total assets	<u>\$ 16,807,384</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	
Current liabilities:	
Accounts payable	\$ 673,976
Payroll and related costs	6,695
Retainage payable	72,075
Security deposits payable	<u>11,051</u>
Total liabilities	<u>763,797</u>
Deferred inflows of resources:	
Lease revenue	<u>448,388</u>
Fund balances:	
Nonspendable:	
Noncurrent leases/notes receivable	4,185,578
Committed - First Time Homebuyer Program	1,281,906
Unassigned	<u>10,127,715</u>
Total fund balances	<u>15,595,199</u>
Total liabilities and fund balances	<u>\$ 16,807,384</u>

The accompanying notes are an integral part of the basic financial statements.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
March 31, 2025

Total fund balance for the governmental fund at March 31, 2025			\$ 15,595,199
Total net position reported for governmental activities in the statement of net position is different because:			
Investments in companies are not considered available and expendable; therefore, are not reported in the governmental funds.			
			8,424,158
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:			
Land	\$ 405,703		
Construction in progress	898,070		
Buildings and improvements, net of \$763,465 accumulated depreciation	4,832,909		
Equipment, net of \$112,281 accumulated depreciation/amortization	<u>11,788</u>	6,148,470	
Some liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds. These liabilities consist of the following:			
Note payable	(1,179,710)		
Lease liability	(1,572,830)		
Compensated absences	<u>(48,582)</u>	<u>(2,801,122)</u>	
Total net position of governmental activities at March 31, 2025			<u>\$ 27,366,705</u>

The accompanying notes are an integral part of the basic financial statements.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Governmental Fund
Year Ended March 31, 2025

	<u>General</u>
Revenues:	
Interest earnings-	
Interest-bearing deposits and investments	\$ 347,666
Unrealized loss on investments	31,432
Mortgages receivable	71,113
Notes receivable	63,977
Administrative fees	49,769
Distributions from investment companies	125,990
Rental income	162,641
Local grants	300,675
PILOT program fees	96,550
Miscellaneous income	48,378
Total revenues	<u>1,298,191</u>
Expenditures:	
Current -	
General government:	
Accounting and auditing	52,160
Advertising	14,124
Conferences and meetings	8,287
Grant awards	40,495
Insurance	100,661
Investment expense	260,823
Legal fees	2,671
Maintenance	307,429
Miscellaneous	32,708
Office expenses	43,352
Payroll expenses	340,303
Professional fees	30,693
Uncollectible receivables	127,790
Utilities	14,770
Debt service -	
Principal	110,209
Interest and other charges	92,064
Capital outlay	<u>1,097,534</u>
Total expenditures	<u>2,676,073</u>
Deficiency of revenues over expenditures	(1,377,882)
Fund balance, beginning	<u>16,973,081</u>
Fund balance, ending	<u>\$ 15,595,199</u>

The accompanying notes are an integral part of the basic financial statements.

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of the Governmental Fund
to the Statement of Activities
For the Year Ended March 31, 2025

The accompanying notes are an integral part of the basic financial statements.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Lafayette Public Trust Financing Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

Lafayette Public Trust Financing Authority (Authority) is a political subdivision of the state of Louisiana. The Authority was formed as a public trust on January 16, 1979 pursuant to Chapter 2-A of Title 9 of the Louisiana revised statutes. The beneficiary of the trust is the Lafayette City-Parish Consolidated Government, Lafayette, Louisiana. The Authority was created for the purpose of providing financing for residential facilities to low and moderate income families within the Parish of Lafayette. The Authority's governing body is comprised of a board of seven trustees.

For financial reporting purposes, the Authority includes all funds and activities that are controlled by the Authority as an independent political subdivision of the State of Louisiana. The Authority is a component unit of the Lafayette City-Parish Consolidated Government.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity, which are considered to be governmental activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Authority's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements (Continued)

Fund Financial Statements (FFS)

The accounts of the Authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The fund financial statements provide information about the Authority's funds. The emphasis on the fund financial statements is on major governmental funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Authority or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures of that individual governmental are at least 10 percent of the corresponding total for all funds of that category or type: and
- b. Total assets, liabilities, revenues, or expenditures of the individual governmental are at least 5 percent of the corresponding total for all governmental funds combined.

The major fund of the Authority is described below:

General Fund

The General Fund is the general operating fund of the Authority. It is used to account for all financial resources except those required to be accounted for in another fund.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position and financial position. All assets and liabilities (whether current or noncurrent) associated with activities are reported. Government-wide fund equity is classified as net position. In the fund financial statements, the "current financial resources" measurement focus is used. Only current financial assets and liabilities are generally included in the balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements (Continued)

Basis of Accounting

In the government-wide statement of net position and statement of activities, activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues are classified by source and expenditures are classified by function and character. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity

Cash, interest-bearing deposits, and investments

Under state law, the Authority may invest in certificates of deposit, repurchase agreements, passbook savings accounts, bankers' acceptances, and other available bank investments provided that approved securities are pledged to secure those funds on deposit in an amount of those funds. In addition, the Authority can invest in direct debt securities of the United States unless such an investment is expressly prohibited by law. Investments are stated at fair value.

Restricted assets

Restricted assets are those assets that are legally restricted as to their use. Restricted assets in the General Fund are related to the first-time homebuyer program.

Receivables

The General Fund reports receivables for mortgages, notes, and rent. These receivables are reported net of allowances. At March 31, 2025, the allowance for uncollectible mortgages and rent is \$484,452 and \$40,600, respectively.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements (Continued)

Capital Assets

Capital assets, which include property, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Authority maintains a threshold level of \$5,000 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives by using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	40 years
Equipment	5-7 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Investment in Companies

The Authority accounts for certain investments in companies by the equity method. The Authority reports its share of the respective earnings (losses) in the government-wide statement of activities as general revenues, "Interest and investment earnings." The carrying value of the investments are reported in the government-wide statement of net position as "Investment in companies."

Compensated absences

Employees of the Authority can earn up to 80 to 160 hours of vacation leave each year depending on their length of service. Employees can carry over up to 160 hours of unused vacation leave which must be used within 12 months. A maximum of 160 hours of unearned vacation leave will be paid out upon separation of employment. Employees can earn 96 hours of sick leave per year and it can be carried over to the next year. Once an employee has accrued 210 hours of sick leave, the employee will stop accruing sick leave. Sick leave is not compensable if an employee leaves the Authority. At March 31, 2025 the Authority has compensated absences in the amount of \$48,582.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. At March 31, 2025, the Authority's deferred inflows of resources are attributable to lease revenue, there were no deferred outflows of resources.

Equity Classifications

The authority classifies net position in the government-wide financial statements as follows:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted – Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use by either (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted – Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the two categories of net position.

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balances of the governmental funds are classified as follows:

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to remain intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can only be used for specific purposes determined by a formal decision of the Authority's Board of Trustees, which is the highest level of decision-making authority for the Authority. Commitments may be established, modified, or rescinded only through resolutions approved by Trustees.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements (Continued)

- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Authority’s adopted policy, only the Board of Trustees may assign amounts for specific purposes.
- e. Unassigned – all other spendable amounts.

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the Authority considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Authority considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Authority has provided otherwise in its committed or assigned actions.

E. Revenues, Expenditures, and Expenses

Expenditures/Expenses - In the government-wide financial statements, expenses are classified by function for governmental activities. In the fund financial statements, expenditures are classified by character. Governmental funds report expenditures of financial resources.

Other Financing Sources (Uses) - Transfers between funds that are not expected to be repaid (and any other financing source/use) are accounted for as other financing sources (uses). Proceeds from the issuance of bonds and premiums are accounted for as other financing sources.

F. 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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

(2) Cash and Interest-Bearing Deposits

Under state law, the Authority may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Authority may invest in direct obligations of the United States government, bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies and/or the United States government, and time certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At March 31, 2025, the Authority had cash and interest-bearing deposits (book balances) of \$2,955,761 as follows:

Governmental activities:	
Demand deposits	\$ 312,725
Money market accounts	<u>2,643,036</u>
Totals	<u>\$ 2,955,761</u>

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements (Continued)

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Authority's deposits may not be recovered or the Authority will not be able to recover collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the Authority or the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at March 31, 2025 are secured as follows:

Bank balances	<u>\$ 2,976,332</u>
Federal deposit insurance	<u>\$ 2,976,332</u>

(3) Investments

The Authority can invest in direct debt securities of the United States unless law expressly prohibits such an investment. The Authority's investments are insured or registered and are held by the Authority or its agent in the Authority's name.

At March 31, 2025, the Authority had the following investments and maturities:

Investment	% of Portfolio	Fair Value	Investment Maturities			
			Less Than 1 Year	1 - 5 Years	6 - 10 Years	Thereafter
Mortgage Backed Securities	2%	\$ 88,700	\$ -	\$ -	\$ -	\$ 88,700
Municipal Obligations	98%	<u>4,642,875</u>	<u>218,515</u>	<u>1,213,937</u>	<u>1,874,145</u>	<u>1,336,278</u>
Total	<u>100%</u>	<u>\$ 4,731,575</u>	<u>\$ 218,515</u>	<u>\$ 1,213,937</u>	<u>\$ 1,874,145</u>	<u>\$ 1,424,978</u>

Interest Rate Risk – It is the policy of the Authority to invest in a mixture of fixed income, short-term and long-term instruments, and cash equivalents. The Authority operates two accounts. The first account establishes an Operating Fund with sufficient liquidity to meet operating expenses and cash needs. The second account establishes an Investment Fund to generate income plus growth.

Credit Risk/Concentration of Credit Risk – Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Authority's investment policy limits investments to debt securities that are guaranteed by the United States Government or its agencies (including mortgage backed securities); corporate bonds, debentures, other forms of corporate debt including other asset backed securities and equipment trust certificates; and Build America Bonds. The Authority will not invest in more than 10% in bonds below investment grade BB or lower. At March 31, 2025, no more than 5% of the Authority's total investments were invested in any single issue.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
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Notes to Financial Statements (Continued)

<u>Rating by Standard & Poor's</u>	<u>Fair Value</u>
AAA	\$ 926,681
AA+	1,078,360
AA-	439,603
AA	1,628,836
A+	244,560
A-	33,700
Not rated	379,835
	<u>\$ 4,731,575</u>

Custodial Credit Risk – For an investment, the custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority's investment policy requires that all investments be kept in the Authority's name and all ownership securities to be evidenced by an acceptable safekeeping receipt issued by a third-party financial institution which is acceptable to the Government. Accordingly, the Authority had no custodial credit risk related to its investments at March 31, 2025.

The Authority recognized a net increase in the fair value of investments for the fiscal year ended March 31, 2025 in the amount of \$31,432. This amount takes into account all the changes in fair value (including purchases and sales) that occurred during the year. The unrealized loss on investments held at March 31, 2025 was \$398,069.

(4) Investment in Limited Partnerships and Corporations

Cypress Trails – The Authority adopted a resolution on February 3, 2006 declaring its intent to develop and own an affordable apartment home development for the purpose of providing affordable rental apartment homes to low income individuals and families through the Louisiana Housing Finance Agency's Low Income Housing Tax Credit Program. On November 11, 2009, the Authority formed a not-for-profit corporation, The Cypress Trails Corporation (the Corporation), and subsequently entered into a partnership with other limited partners to form the Cypress Trails Limited Partnership (the Partnership). The Corporation is the general partner, and owns a .009% equity interest in the partnership. On March 27, 2024 the Authority created Cypress Paths LLC with 99.991% ownership in Cypress Trails. The purpose of this enterprise is to develop an 80 unit elderly/permanent supportive new housing development. The development will consist of a community facility which will be available for tenants and will provide supportive services to the elderly and handicapped tenants. As of March 31, 2025 the investment in companies for Cypress Trails Corporation and Cypress Paths LLC is a deficit of \$215,925.

In addition to the above, the Corporation and the Authority have: (1) agreed to fund operating deficits of the Partnership, limited to \$239,000 if the achievement of certain benchmarks are met; (2) have guaranteed the completion of construction of the project; (3) and guaranteed the payment of any adjustment amounts or reduction amounts related to the tax credit program. As a general partner, The Cypress Trails Corporation is potentially liable for all the debts of the partnership.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
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Notes to Financial Statements (Continued)

Joie de Vivre – In March 2011, JDV Development, LLC (LLC) was formed by Acadiana Outreach Center, Inc. (AOC) for the purpose of engaging in any legitimate business pursuit or any lawful activity for which limited liability companies may be formed, as set forth in LSA-R.S. 12:1302. The LLC was formed to assist AOC in acquiring, constructing, rehabilitating, maintaining, and operating affordable housing projects located in the City and Parish of Lafayette and to act as the General Partner in the JDV Limited Partnership (the Partnership), for the specific purpose of developing the Joie de Vivre Project. Due to financial circumstances, AOC expressed its desire to transfer its interest in the development of the Joie de Vivre project to the Authority. The Authority adopted a resolution on September 27, 2011, declaring its intent to continue the development of the Joie de Vivre project - a smart growth, mixed use, workforce housing development in downtown Lafayette.

On January 27, 2012, the Authority entered into an agreement to accept the transfer of AOC's interest in the Joie de Vivre Project via a transfer of ownership of the LLC. JDV Development, LLC will continue to act as the General Partner of JDV Limited Partnership, and owns .01% equity interest in the Partnership. On January 31, 2012, the Partnership closed on a \$9,000,000 construction loan related to the project. During 2013, the construction loan in the amount of \$7,938,236 was converted to permanent financing. As of March 31, 2025 the investment in companies for JDV Development, LLC is \$3,579,562.

Studio 114, LLC - – The Authority organized Studio 114, LLC during March 2012 to rehabilitate, develop, and operate a 15-unit apartment project, known as The Studios at LWG in Lafayette, Louisiana. The apartment project consists of eight (8) HOME assisted and seven (7) market rate apartments. The apartments are rented to low-income tenants and are operated in a manner necessary to comply with the Louisiana Housing Corporation, formally Louisiana Housing Finance Agency, Urban Rental Development Grant Agreement under the HOME Investment Partnership Program. The major activities of the Company are subject to the administrative directives, rules, and regulations of federal and state regulatory agencies, including but not limited to, the state housing finance agency. The Authority is the sole member of the Louisiana Limited Liability Company. As of December 31, 2024, the Authority's investment in the Company amounted to \$500,609.

Sans Souci, LLC – The Authority created Sans Souci, LLC during 2013 to accept the donation of a historically significant building known as the San Souci building. The Corporation's purpose is to preserve and maintain the Sans Souci building and ensure that the building will be used as a cultural facility for cultural services and activities. The Authority is the sole member of the Louisiana Limited Liability Company. As of December 31, 2024, the Authority's investment in the Company amounted to \$63,719.

Monroe, LLC- The Authority created Monroe, LLC during 2017 for the purpose of constructing and operating an apartment project on behalf of the LPTFA. The Authority is the sole member of the Louisiana Limited Liability Company. As of December 31, 2024, the Authority's investment in the Company amounted to \$1,450,462.

Espee Lafayette, LLC- The Authority created Espee Lafayette, LLC during 2019 for the purpose of acquiring rental real estate on behalf of the LPTFA. The Authority is the sole member of the Louisiana Limited Liability Company. As of December 31, 2024, the Authority's investment in the Company amounted to \$3,045,731.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements (Continued)

Espee Lafayette 2, LLC- The Authority created Espee Lafayette 2, LLC during 2019 for the purpose of acquiring rental real estate on behalf of the LPTFA. The Authority is the sole member of the Louisiana Limited Liability Company. As of December 31, 2024, the Authority's investment in the Company amounted to \$0.

(5) Notes Receivable

On August 10, 2006, the Authority financed the purchase of 14.61 acres by the Housing Authority of the City of Lafayette. This loan in the amount of \$425,000 is secured by a mortgage on the property and bears interest at a rate of 3% per annum accruing until the note is repaid when the Housing Authority's project is funded by Low Income Housing Tax Credits or in 5 years. In 2009, the Board of Trustees of Lafayette Public Trust Financing Authority agreed to restructure the loan to a long-term, non-interest bearing cash flow loan to be a project funding source for the City of Lafayette Housing Authority tax credit affordable housing project known as Villa Gardens, Lafayette, Louisiana. A signed loan agreement reflecting this agreement was executed on July 16, 2010 with a principal balance consisting of the original loan amount and accrued interest. \$ 456,939

Certain startup costs of the Cypress Trails Partnership venture were advanced by the Authority as of March 31, 2013 in the amount of \$700,000. This advance is in the form of a non-interest bearing note, secured by a second mortgage on the property. Repayment of the note will be from surplus cash generated by the project. 527,507

On April 8, 2011, the Authority issued a loan in the amount of \$1,000,000 to JDV Development, Limited Partnership to provide funding for the Joie de Vivre project. The loan will bear interest at a rate of 3% per annum with no interest accruing during the project construction period and until the units constructed in the project are placed in service. Payments of principal and accrued interest will be repaid from 50% of the net cash flow from the operations of the project. The project was substantially completed in December 2012. At March 31, 2025, the loan had accrued interest of \$368,548. 1,000,000

On June 6, 2012 the Authority approved a \$1,010,000 non-interest bearing note to Studio 114, LLC, which the Authority created in March 2012 and of which it is the sole member. The funds will be used to construct a fifteen-unit, mixed income, income and rental restricted affordable housing project. The project will also be funded from a \$1,000,000 HOME grant to assist in financing the development. The loan will be repaid out of surplus cash flows from the project. 549,000

(continued)

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
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Notes to Financial Statements (Continued)

On February 23, 2017, the Authority issued a \$550,000 note to Festival International de Louisiane, to purchase the Greyhound Bus Building. The terms of the loan include principal of \$400,000 bearing interest of 3% per annum and shall be payable in equal monthly installments of principal and interest in the amount of \$2,762 for a term of 180 months. Provided that the all loan terms are met, beginning on the eleventh anniversary date of the note, \$30,000 shall be converted to a grant for each of the remaining years, for a total of \$150,000.	363,519
On June 14, 2016, the Authority entered into a cooperative endeavor agreement with Lafayette Habitat for Humanity, Inc. for the assignment of 6 residential, first-lien mortgages with a remaining mortgage balance of \$158,999 for a purchase price of \$139,452. As part of the agreement, the seller will continue to administer and service the mortgage loans until their maturity and will repurchase any sold loans in default.	33,871
On December 7, 2021, the Authority issued a \$595,000 interest bearing note to Acadiana Center for the Arts to purchase the historic property adjacent to their building. The terms of the loan include principal of \$595,000 bearing interest of 3% per annum and shall be payable in equal monthly installments of principal and interest in the amount of \$2,822 for a term of 300 months.	546,268
On November 1, 2022, the Authority issued a \$500,000, interest bearing note to Lafayette Community Development Fund to fund the program. The non-profit is a community development financial institution which provides financing to first-time home buyers and small businesses in Lafayette Parish. The terms of the loan include principal of \$500,000 bearing interest of 2.2% per annum with interest being paid in quaterly installments and principal balance being due five years from the date of disbursement.	<u>500,000</u>
	3,977,104
Less current portion	<u>(56,870)</u>
Noncurrent notes receivable	<u><u>\$3,920,234</u></u>

(6) Mortgages Receivable

The Authority has established and implemented a low interest revolving loan program to assist first time homebuyers in the Parish of Lafayette. Eligible participants may receive up to \$8,000, to be repaid at an interest rate of five percent (5%) per year for a loan term not to exceed fifteen (15) years. The funds may be used only for the purposes of offsetting closing costs and/or as a down payment.

At March 31, 2025, the Authority had mortgages receivable in the amount of \$1,766,358. The Authority had an allowance for doubtful account accounts for mortgages receivable in the amount of \$484,452 at March 31, 2025.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements (Continued)

(7) Capital Assets

Capital asset activity for the year ended March 31, 2025 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 387,453	\$ 18,250	\$ -	\$ 405,703
Construction in progress	73,750	915,034	90,714	898,070
Other capital assets:				
Buildings and improvements	3,842,422	254,964	-	4,097,386
Equipment	27,361	-	-	27,361
Right to use asset - building	1,595,696	-	-	1,595,696
Totals	<u>5,926,682</u>	<u>1,188,248</u>	<u>90,714</u>	<u>7,024,216</u>
Less accumulated depreciation				
Building and improvements	600,716	162,749	-	763,465
Equipment	10,101	5,472	-	15,573
Right to use asset - building	80,590	16,118	-	96,708
Total accumulated depreciation	<u>691,407</u>	<u>184,339</u>	<u>-</u>	<u>875,746</u>
Capital assets, net	<u>\$ 5,235,275</u>	<u>\$ 1,003,909</u>	<u>\$ 90,714</u>	<u>\$ 6,148,470</u>

At March 31, 2025, governmental activities had depreciation expense in the amount of \$184,339.

(8) PILOT Programs

The Authority has entered into multiple payment in lieu of taxes (“PILOT”) agreements with various companies. Each arrangement includes an act of transfer of property and improvements agreements and a ground and building lease agreement. Each company transfers all rights, title, and interest in the associated property to the Authority in order to take advantage of the Authority’s tax-exempt status. As part of these agreements, the companies receive several benefits, including 100% ad valorem tax exemptions on future property improvements and a freeze on current ad valorem taxes. Also, the companies receive sales tax exemptions on purchases of construction materials purchased during the construction of their project. Under the lease agreements, the Authority leases the land and buildings back to the companies. The companies agree to make certain lease payments and payments in lieu of taxes (PILOT) to the appropriate taxing authorities. At all times during the term of the lease, the companies shall be entitled to all of the tax attributes of ownership, including the right to claim depreciation or cost recovery deductions, the right to claim the low-income housing tax credit, and the right to amortize capital costs and to claim other federal or state tax benefits. Pursuant to the terms of the lease, the companies pay an administrative fee on the closing date, prorated from the closing date and an annual administrative fee due to the authority on or before January 1 of each year.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements (Continued)

The terms of each PILOT agreement in place at March 31, 2025 are as follows:

<u>Project</u>	<u>Annual PILOT Payment (Ad Valorem)</u>	<u>Annual Rent Payment</u>	<u>Lease Termination Date</u>	<u>Annual Administrative Fee</u>	<u>Early Termination Payment</u>
Arbours at Acadiana:			2099	\$12,180 + 2%	\$10,000
2027-2041	\$0			Annual increase for 14 years and 20% Annual decrease for the next 4 years	
2042	An amount equal to the Millage Rate multiplied by 0.200 and by whatever would otherwise be the fair market value of the Project	\$1			
2043	An amount equal to the Millage Rate multiplied by 0.400 and by whatever would otherwise be the fair market value of the Project	\$1			
2044	An amount equal to the Millage Rate multiplied by 0.600 and by whatever would otherwise be the fair market value of the Project	\$1			
2045	An amount equal to the Millage Rate multiplied by 0.800 and by whatever would otherwise be the fair market value of the Project	\$1			
2046 and thereafter	An amount equal to the Millage Rate multiplied by 1.000 and by whatever would otherwise be the fair market value of the Project	\$1			

Sales Tax PILOT- One time payment of 25% of the sales tax due on materials due on or before 90 days after the substantial completion of the project.

Arbours at Lafayette Phase II:			2099	\$13,920 + 2%	\$10,000
2027-2041	\$0			Annual increase for 14 years and 20% Annual decrease for the next 4 years	
2042	An amount equal to the Millage Rate multiplied by 0.200 and by whatever would otherwise be the fair market value of the Project	\$1			
2043	An amount equal to the Millage Rate multiplied by 0.400 and by whatever would otherwise be the fair market value of the Project	\$1			

(continued)

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements (Continued)

<u>Project</u>	<u>Annual PILOT Payment (Ad Valorem)</u>	<u>Annual Rent Payment</u>	<u>Lease Termination Date</u>	<u>Annual Administrative Fee</u>	<u>Early Termination Payment</u>
2044	An amount equal to the Millage Rate multiplied by 0.600 and by whatever would otherwise be the fair market value of the Project	\$1			
2045	An amount equal to the Millage Rate multiplied by 0.800 and by whatever would otherwise be the fair market value of the Project	\$1			
2046 and thereafter	An amount equal to the Millage Rate multiplied by 1.000 and by whatever would otherwise be the fair market value of the Project	\$1			

Sales Tax PILOT- One time payment of 25% of the sales tax due on materials due on or before 90 days after the substantial completion of the project.

Landry Commons:

		2123	\$13,920 + 2%	\$10,000
2027-2041	\$0		Annual increase for 14 years and 20% Annual decrease for the next 4 years	
2042	An amount equal to the Millage Rate multiplied by 0.200 and by whatever would otherwise be the fair market value of the Project	\$0		
2043	An amount equal to the Millage Rate multiplied by 0.400 and by whatever would otherwise be the fair market value of the Project	\$0		
2044	An amount equal to the Millage Rate multiplied by 0.600 and by whatever would otherwise be the fair market value of the Project	\$0		
2045	An amount equal to the Millage Rate multiplied by 0.800 and by whatever would otherwise be the fair market value of the Project	\$0		
2046 and thereafter	An amount equal to the Millage Rate multiplied by 1.000 and by whatever would otherwise be the fair market value of the Project	\$0		

Sales Tax PILOT- One time payment of 25% of the sales tax due on materials due on or before 90 days after the substantial completion of the project.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements (Continued)

<u>Project</u>	<u>Annual PILOT Payment (Ad Valorem)</u>	<u>Annual Rent Payment</u>	<u>Lease Termination Date</u>	<u>Annual Administrative Fee</u>	<u>Early Termination Payment</u>
Ridge Commons:			2123	\$13,920 + 2%	\$10,000
2027-2041	\$0			Annual increase for 14 years and 20% Annual decrease for the next 4 years	
2042	An amount equal to the Millage Rate multiplied by 0.200 and by whatever would otherwise be the fair market value of the Project	\$0			
2043	An amount equal to the Millage Rate multiplied by 0.400 and by whatever would otherwise be the fair market value of the Project	\$0			
2044	An amount equal to the Millage Rate multiplied by 0.600 and by whatever would otherwise be the fair market value of the Project	\$0			
2045	An amount equal to the Millage Rate multiplied by 0.800 and by whatever would otherwise be the fair market value of the Project	\$0			
2046 and thereafter	An amount equal to the Millage Rate multiplied by 1.000 and by whatever would otherwise be the fair market value of the Project	\$0			

Sales Tax PILOT- One time payment of 25% of the sales tax due on materials due on or before 90 days after the substantial completion of the project.

Target Loop Commons:			2123	\$13,920 + 2%	\$10,000
2026-2040	\$0			Annual increase for 14 years and 20% Annual decrease for the next 4 years	
2041	An amount equal to the Millage Rate multiplied by 0.200 and by whatever would otherwise be the fair market value of the Project	\$0			
2042	An amount equal to the Millage Rate multiplied by 0.400 and by whatever would otherwise be the fair market value of the Project	\$0			

(continued)

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements (Continued)

Project	Annual PILOT Payment (Ad Valorem)	Annual Rent Payment	Lease Termination Date	Annual Administrative Fee	Early Termination Payment
2043	An amount equal to the Millage Rate multiplied by 0.600 and by whatever would otherwise be the fair market value of the Project	\$0			
2044	An amount equal to the Millage Rate multiplied by 0.800 and by whatever would otherwise be the fair market value of the Project	\$0			
2045 and thereafter	An amount equal to the Millage Rate multiplied by 1.000 and by whatever would otherwise be the fair market value of the Project	\$0			

Sales Tax PILOT- One time payment of 25% of the sales tax due on materials due on or before 90 days after the substantial completion of the project.

During the year ended March 31, 2025, prorated closing fees and recurring administrative fees associated with PILOT programs totaling \$96,550 were recorded in the accompanying statements of revenues, expenses, and changes in net position.

There are no fixed assets recorded on the books of the Authority in relation to these agreements because the purpose of these agreements is for the ad valorem tax savings to the participating companies.

(9) Leases

Lessor - The Authority has entered into lease agreements involving various buildings with lease terms from April 2019 through August 2029. The terms and conditions of the leases do not contain variable payments, residual value guarantees, or any other special provision. The total amount of principal and interest received from these agreements amounted to \$131,531 and \$11,281 respectively.

Lessee - The Authority has entered into a lease agreement involving a building for operations with a lease term from August 2019 to August 2118 and an incremental borrowing rate of 2.59%. The terms and conditions of the lease do not contain variable payments, residual value guarantees, or any other special provisions. The Authority's leased asset is recorded at a cost of \$1,595,696, less accumulated amortization of \$96,708.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements (Continued)

The future lease payments under this agreement is as follows:

Year	Principal	Interest	Total
2026	\$ 4,164	\$ 40,736	\$ 44,900
2027	4,272	40,628	44,900
2028	4,382	40,518	44,900
2029	4,496	40,404	44,900
2030	4,612	40,288	44,900
2031-2035	24,915	199,585	224,500
2036-2040	28,313	196,187	224,500
2041-2045	32,175	192,325	224,500
2046-2050	36,563	187,937	224,500
2051-2055	41,550	182,950	224,500
2056-2060	47,216	177,284	224,500
2061-2065	53,656	170,844	224,500
2066-2070	60,974	163,526	224,500
2071-2075	69,290	155,210	224,500
2076-2080	78,740	145,760	224,500
2081-2085	89,479	135,021	224,500
2086-2090	101,682	122,818	224,500
2091-2095	115,550	108,950	224,500
2096-2100	131,309	93,191	224,500
2101-2105	149,217	75,283	224,500
2106-2110	169,568	54,932	224,500
2111-2115	192,695	31,805	224,500
2116-2118	128,012	6,688	134,700
	<u>\$ 1,572,830</u>	<u>\$ 2,602,870</u>	<u>\$ 4,175,700</u>

(10) Long – Term Liabilities

On June 30, 2022, the Authority entered into a loan agreement with a financial institution in the amount of \$1,300,000, maturing June 30, 2032, monthly payments of \$7,883 and a final installment of \$786,245 including interest of 3.950%. The loan is secured by possessory collateral of investments held by the Authority.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements (Continued)

(11) Changes in Long – Term Liabilities

The following is a summary of changes for the year ended March 31, 2025:

	Balance 4/1/2024	Additions	Reductions	Balance 3/31/2025	Due Within One Year
Compensated absences	\$ 28,233	\$ 33,888	\$ 13,539	\$ 48,582	\$ 44,335
Lease liability	1,576,889	-	4,059	1,572,830	4,164
Notes payable	1,285,860	-	106,150	1,179,710	53,087
	<u>\$ 2,890,982</u>	<u>\$ 33,888</u>	<u>\$ 123,748</u>	<u>\$ 2,801,122</u>	<u>\$ 101,586</u>

The annual payments to maturity for the note payable follows:

Year	Principal	Interest	Total
2026	\$ 53,087	\$ 45,514	\$ 98,601
2027	51,058	43,540	94,598
2028	53,112	41,486	94,598
2029	55,248	39,350	94,598
2030	57,470	37,127	94,597
2031-2035	909,735	112,070	1,021,805
	<u>\$ 1,179,710</u>	<u>\$ 319,087</u>	<u>\$ 1,498,797</u>

(12) Conduit Debt Obligations and Contingencies

On September 6, 2012, the Authority issued Revenue Bonds in the amount of \$13,185,000 to provide financial assistance to South Louisiana Corporation.

On October 30, 2012, the Authority issued additional Revenue Bonds in the amount of \$14,740,000 to provide financial assistance to Ragin' Cajun Facilities, Inc., for the development, design construction and equipping of student housing facilities, including parking and other infrastructure at the University of Louisiana at Lafayette.

Revenues from the facilities constructed are pledged for the total payment of principal and interest. Upon repayment of the bonds, ownership of the constructed facilities transfers to the respective corporations served by the bond issuance. These bonds are not direct or contingent liabilities of the Authority. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of March 31, 2025, there were two series of revenue bonds outstanding. The principal amount outstanding for these issues was \$11,310,000. The original issue amount of the bonds was \$27,925,000.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements (Continued)

(13) Fair Value Measurements

Professional standards require the disclosure for fair value measurements of financial assets and liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. The standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

The three levels of inputs used to measure fair value are as follows:

- a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- b. Level 2 inputs are observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- c. Level 3 inputs are unobservable inputs for the asset or liability.

The following methods and assumptions were used by the Authority in estimating fair values of financial instruments:

- a. The carrying amount reported in the statement of financial position for the following approximates fair value due to the short maturities of these instruments: cash, receivables, and accounts payable.
- b. The fair value for investment securities are based on quoted market prices at the reporting date multiplied by the quantity held. The carrying value equals fair value.

The following table presents assets that are measured at fair value on a recurring basis at March 31, 2025:

Description	Total	(Level 1)	(Level 2)	(Level 3)
Mortgage Backed Securities	\$ 88,700	\$ -	\$ 88,700	\$ -
Municipal Obligations	4,642,875	-	4,642,875	-
Total	<u>\$ 4,731,575</u>	<u>\$ -</u>	<u>\$ 4,731,575</u>	<u>\$ -</u>

(14) Related Party Transactions

During the fiscal year ending March 31, 2025, the Authority provided funding in the amount of \$45,040 to cover operating costs. The Authority has a non-interest-bearing note receivable from Studio 114, LLC in the amount of \$549,000 to assist in the project development and construction of a housing project. Additionally, Studio 114 owed the Authority \$126,564 as of March 31, 2025.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
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Notes to Financial Statements (Continued)

The Authority has an interest-bearing note receivable from JDV Development, LP in the amount of \$1,000,000 to assist with their construction project. During the fiscal year, the Authority provided funding in the amount of \$208,823 for operating costs.

The Authority provided funding on behalf of Cypress Paths, LLC in the amount of \$52,000 to convey all rights, title and interest in the Partnerships of Cypress Trails Limited Partnership.

The Authority provided operational funding to Monroe Lafayette, LLC in the amount of \$562,580 during the fiscal year ending March 31, 2025. As of March 31, 2025, Monroe owed the Authority \$1,817,307.

(15) Compensation of Board of Trustees

The Board of Trustees of the Authority receives no compensation and are only reimbursed for their expenses incurred relating to the Authority's business, which must have appropriate supporting documentation.

(16) Compensation, Benefits, and Other Payments to Agency Head

There were no compensation, benefits, or other payments to Melissa Theriot, Chairman.

(17) Accounting Changes/Correction of an Error/Prior Year Restatement

The Authority implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. GASB Statement No. 101 requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. Additionally, management determined during the fiscal year that there was an unintentional error in the valuation of investments in companies. As a result, the investment in companies' asset was understated.

The implementation of GASB statement No. 101 and the correction of error resulted in a restatement of previously reported net position as follows:

	Governmental Activities
Net position, beginning of year, as previously reported	\$ 26,011,335
Net effect of correction of error	3,188,021
Net effect of accounting changes/ prior year restatement	<u>(16,702)</u>
Net position, beginning of year as restated	<u>\$ 29,182,654</u>

REQUIRED SUPPLEMENTARY INFORMATION

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Budgetary Comparison Schedule
General Fund
Year Ended March 31, 2025

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest earnings-				
Interest-bearing deposits and investments	\$ 285,000	\$ 285,000	\$ 347,666	\$ 62,666
Unrealized loss on investments	(250,000)	(150,000)	31,432	181,432
Mortgages receivable	87,000	70,000	71,113	1,113
Notes receivable	54,000	54,000	63,977	9,977
Tax credit advance	350,000	-	-	-
Administrative fees	30,500	49,769	49,769	-
Distributions from investment companies	-	116,750	125,990	9,240
Rental income	230,000	163,344	162,641	(703)
Local grants	-	34,500	300,675	266,175
PILOT program fees	-	67,860	96,550	28,690
Miscellaneous income	9,500	47,000	48,378	1,378
Total revenues	796,000	738,223	1,298,191	559,968
Expenditures:				
Current -				
General government:				
Accounting and auditing	55,000	55,000	52,160	2,840
Advertising	1,500	4,000	14,124	(10,124)
Conferences and meetings	5,000	7,500	8,287	(787)
Grant awards	41,000	37,500	40,495	(2,995)
Insurance	100,000	110,000	100,661	9,339
Investment expense	285,000	407,000	260,823	146,177
Legal fees	35,000	10,000	2,671	7,329
Maintenance	75,000	275,000	307,429	(32,429)
Miscellaneous	45,000	35,000	32,708	2,292
Office expenses	50,000	50,000	43,352	6,648
Payroll expenses	274,980	337,480	340,303	(2,823)
Professional fees	70,000	85,000	30,693	54,307
Uncollectible receivables	150,000	150,000	127,790	22,210
Utilities	15,000	15,000	14,770	230
Debt service				
Principal	58,000	122,000	110,209	11,791
Interest	81,600	84,400	92,064	(7,664)
Capital outlay	450,000	1,039,245	1,097,534	(58,289)
Total expenditures	1,792,080	2,824,125	2,676,073	148,052
Deficiency of revenues over expenditures	(996,080)	(2,085,902)	(1,377,882)	708,020
Fund balance, beginning	16,973,081	16,973,081	16,973,081	-
Fund balance, ending	\$15,977,001	\$14,887,179	\$15,595,199	\$ 708,020

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to the Required Supplementary Information

(1) Budget and Budgetary Accounting

The Authority follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with the Budget Act of the State of Louisiana, an operating budget for the General Fund is prepared at least fifteen days prior to the commencement of the budgetary year-end.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After holding the public hearing and completion of all actions necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.

(2) Excess Expenditures Over Appropriations

For the year ended March 31, 2025, the General Fund had actual expenditures over appropriations as follows:

	Final Budget	Actual	Excess
Capital Outlay	\$ 1,039,245	\$ 1,097,534	\$ (58,289)

OTHER SUPPLEMENTARY INFORMATION

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana
General Fund

Comparative Balance Sheet
March 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Current:		
Cash and interest-bearing deposits	\$ 2,955,761	\$ 845,350
Investments	3,551,865	5,248,604
Rent receivable, net	31,877	28,005
Notes receivable	56,870	56,135
Mortgages receivable, net	249,055	282,999
Accrued interest receivable	621,556	613,142
Other receivables	2,759,217	1,466,261
Leases receivable	<u>183,044</u>	<u>131,531</u>
Total current assets	<u>10,409,245</u>	<u>8,672,027</u>
Noncurrent:		
Restricted investments	1,179,710	1,285,860
Mortgages receivable, net	1,032,851	1,355,750
Notes receivable	3,920,234	5,955,759
Leases receivable	<u>265,344</u>	<u>158,429</u>
Total noncurrent assets	<u>6,398,139</u>	<u>8,755,798</u>
Total assets	<u>\$ 16,807,384</u>	<u>\$ 17,427,825</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Current liabilities:		
Accounts payable	\$ 673,976	\$ 149,190
Payroll and related costs	6,695	6,893
Retainage payable	72,075	-
Security deposits payable	<u>11,051</u>	<u>8,701</u>
Total liabilities	<u>763,797</u>	<u>164,784</u>
Deferred inflows of resources:		
Lease revenue	<u>448,388</u>	<u>289,960</u>
Fund balances:		
Nonspendable-		
Noncurrent leases/notes receivable	4,185,578	6,114,188
Committed - First Time Homebuyer Program	1,281,906	1,638,749
Unassigned	<u>10,127,715</u>	<u>9,220,144</u>
Total fund balances	<u>15,595,199</u>	<u>16,973,081</u>
Total liabilities and fund balances	<u>\$ 16,807,384</u>	<u>\$ 17,427,825</u>

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY

Lafayette, Louisiana

General Fund

Budgetary Comparison Schedule -
Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Year Ended March 31, 2025
With Comparative Actual Balances for the Year Ended March 31, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)	2024 Actual
	Original	Final			
Revenues:					
Interest earnings-					
Interest-bearing deposits and investments	\$ 285,000	\$ 285,000	\$ 347,666	\$ 62,666	\$ 312,417
Unrealized loss on investments	(250,000)	(150,000)	31,432	181,432	(13,464)
Mortgages receivable	87,000	70,000	71,113	1,113	87,951
Notes receivable	54,000	54,000	63,977	9,977	66,478
Tax credit advance	350,000	-	-	-	193,965
Administrative fees	30,500	49,769	49,769	-	22,875
Distributions from investment companies	-	116,750	125,990	9,240	117,240
Rental income	230,000	163,344	162,641	(703)	152,008
Local grants	-	34,500	300,675	266,175	69,176
PILOT program fees	-	67,860	96,550	28,690	-
Miscellaneous income	9,500	47,000	48,378	1,378	11,963
Total revenues	<u>796,000</u>	<u>738,223</u>	<u>1,298,191</u>	<u>559,968</u>	<u>1,020,609</u>
Expenditures:					
Current -					
General government:					
Accounting and auditing	55,000	55,000	52,160	2,840	54,610
Advertising	1,500	4,000	14,124	(10,124)	2,715
Conferences and meetings	5,000	7,500	8,287	(787)	6,907
Grant awards	41,000	37,500	40,495	(2,995)	223,115
Insurance	100,000	110,000	100,661	9,339	93,413
Investment expense	285,000	407,000	260,823	146,177	296,374
Legal fees	35,000	10,000	2,671	7,329	10,611
Maintenance	75,000	275,000	307,429	(32,429)	117,951
Miscellaneous	45,000	35,000	32,708	2,292	32,895
Office expenses	50,000	50,000	43,352	6,648	51,060
Payroll expenses	274,980	337,480	340,303	(2,823)	290,004
Professional fees	70,000	85,000	30,693	54,307	20,920
Uncollectible receivables	150,000	150,000	127,790	22,210	137,059
Utilities	15,000	15,000	14,770	230	12,168
Debt service:					
Principal	58,000	122,000	110,209	11,791	62,787
Interest	81,600	84,400	92,064	(7,664)	91,579
Capital outlay	<u>450,000</u>	<u>1,039,245</u>	<u>1,097,534</u>	<u>(58,289)</u>	<u>247,822</u>
Total expenditures	<u>1,792,080</u>	<u>2,824,125</u>	<u>2,676,073</u>	<u>148,052</u>	<u>1,751,990</u>
Deficiency of revenues over expenditures	(996,080)	(2,085,902)	(1,377,882)	708,020	(731,381)
Other financing sources:					
Proceeds from issuance of debt	-	-	-	-	77,133
Net change in fund balance	(996,080)	(2,085,902)	(1,377,882)	708,020	(654,248)
Fund balance, beginning	<u>16,973,081</u>	<u>16,973,081</u>	<u>16,973,081</u>	-	<u>17,627,329</u>
Fund balance, ending	<u>\$ 15,977,001</u>	<u>\$ 14,887,179</u>	<u>\$ 15,595,199</u>	<u>\$ 708,020</u>	<u>\$ 16,973,081</u>

**INTERNAL CONTROL,
COMPLIANCE, AND
OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Stephen J. Anderson, CPA*
Matthew E. Margaglio, CPA*
Casey L. Ardoin, CPA, CFE*
Wanda F. Arcement, CPA
Bryan K. Joubert, CPA
Nicholas Fowlkes, CPA
Deidre L. Stock, CPA

Of Counsel
C. Burton Kolder, CPA*

183 S. Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141

1428 Metro Dr. 450 E. Main St.
Alexandria, LA 71301 New Iberia, LA 70560
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1201 David Dr.
Abbeville, LA 70510 Morgan City, LA 70380
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 11929 Bricksome Ave.
Ville Platte, LA 70586 Baton Rouge, LA 70816
Phone (337) 363-2792 Phone (225) 293-8300

WWW.KCSRCPAS.COM

Victor R. Slaven, CPA* - retired 2020
Christine C. Doucet, CPA - retired 2022
Gerald A. Thibodeaux, Jr., CPA* - retired 2024

* A Professional Accounting Corporation

INDEPENDENT AUDITOR'S 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*

The Board of Trustees
Lafayette Public Trust Financing Authority
Lafayette, 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 the governmental activities and each major fund of Lafayette Public Trust Financing Authority (the Authority) as of and for the year ended March 31, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated September 24, 2025.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes 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 the 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as item 2025-001 that we consider to be a material weakness.

Report on 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 financial statements. 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*.

Lafayette Public Trust Financing Authority's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the findings identified in our audit is described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on the response.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document in accordance with Louisiana Revised Statute 44:6.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
September 24, 2025

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
And Management's Corrective Action Plan

Part I. Current Year Findings and Management's Corrective Action Plan

A. Internal Control Finding -

2025-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: 2008

CRITERIA: The Authority should have a control policy according to which no person should be given responsibility for more than one related function.

CONDITION: The Authority did not have adequate segregation of functions within the accounting system.

CAUSE: Due to the size of the Authority, there are a small number of available employees.

EFFECT: The Authority has employees that are performing more than one related function.

RECOMMENDATION: The Authority should establish and monitor mitigating controls over functions that are not completely segregated.

MANAGEMENT'S CORRECTION ACTION PLAN: Due to the size of the operations and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

B. Compliance Finding –

There were no findings that were required to be reported.

Part II. Prior Year Findings

A. Internal Control Finding -

2024-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: 2008

CONDITION: The Authority did not have adequate segregation of functions within the accounting system.

RECOMMENDATION: The Authority should establish and monitor mitigating controls over functions that are not completely segregated.

CURRENT STATUS: Unresolved. See finding 2025-001.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
And Management's Corrective Action Plan (Continued)

B. Compliance Finding –

2024-002 State Bond Commission Approval

Fiscal year finding initially occurred: 2024

CONDITION: The Authority entered into a premium finance agreement to finance their insurance premium over an eleven-month period without obtaining approval from the State Bond Commission.

RECOMMENDATION: The Authority should review the debt restriction laws for governmental entities as provided by Louisiana Revised Statute 39:1410.60 prior to entering into any financing arrangements.

CURRENT STATUS: Resolved.

Lafayette Public Trust Financing Authority
Lafayette, Louisiana

Agreed-Upon Procedures Report

Year Ended March 31, 2025

KOLDER, SLAVEN & COMPANY, LLC

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WWW.KCSRPCAS.COM

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Lafayette Public Trust Financing Authority and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period April 1, 2024 through March 31, 2025. The Lafayette Public Trust Financing Authority's management is responsible for those C/C areas identified in the SAUPs.

Lafayette Public Trust Financing Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period April 1, 2024 through March 31, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) *Written Policies and Procedures*

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - ii. **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - iii. **Disbursements**, including processing, reviewing, and approving.
 - iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. **Credit Cards (and debit cards, fuel cards, purchase Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

2) **Board or Finance Committee**

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or include monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period reference or include a formal plan to eliminate the negative unassigned fund balance in the general fund.

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

3) Bank Reconciliations

- A. Obtain a listing of the entity's bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and
 - iii. Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

4) Collections (excluding electronic fund transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit;
 - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and
- i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - v. Trace the actual deposit per the bank statement to the general ledger.

5) *Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)*

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing was complete. Randomly select 5 locations (or all locations if less than 5).
- B. For each location selected under #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - ii. At least two employees are involved in processing and approving payments to vendors;
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
- C. For each location selected under #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity, and

- ii. Observe whether the disbursement documentation includes evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #5B above, as applicable.
- iii. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and
 - i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder; and
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g. each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected
 - i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

8) Contracts

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and
 - i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
 - ii. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
 - iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
 - iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

9) Payroll and Personnel

- A. Obtain a listing of employees and elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
 - i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or officials' cumulative leave records, agree the pay rates to the employee's or officials' authorized pay rates in the employee's or officials' personnel files, and agree the termination payment to the entity policy.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
 - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

11) Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing was complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
- B. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

13) Information Technology Disaster Recovery/Business Continuity

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

Perform the following procedures:

- A. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
- B. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- C. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- D. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.
- E. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets completed cybersecurity training as required by R.S. 42:1267: The requirements are as follows:
 - Hired before June 9, 2020 – completed the training; and
 - Hired on or after June 9, 2020 – completed the training within 30 days of initial service or employment.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

- i. Number and percentage of public servants in the agency who have completed the training requirements;
- ii. Number of sexual harassment complaints received by the agency;
- iii. Number of complaints which resulted in a finding that sexual harassment occurred;
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- v. Amount of time it took to resolve each complaint.

Exceptions:

No exceptions were found as a result of applying the procedures listed above except:

Written Policies and Procedures

1. Written policies and procedures did not address the following: (a) Purchasing - how purchases are initiated or how vendors are added to the vendor list; (b) Receipts/Collections - receiving, recording, preparing deposits, and management's actions to determine completeness of all collections for each type of revenue; (c) Payroll/Personnel - the approval process for employees rate of pay or approval and maintenance of pay rate schedules; (d) Ethics - system to monitor possible ethics violations, and a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy; (e) Debt Service - continuing disclosures/EMMA reporting requirements, debt reserve requirements, and debt service requirements; (f) Information Technology Disaster Recovery and Business Continuity – identification of critical data and frequency of data backups, storage of backups in a separate physical location isolated from the network, periodic testing/verification that backups can be restored, use of antivirus on all systems, timely application of all available system and software patches/updates, identification of personnel, processes, and tools needed to recover operations after a critical event; (g) Prevention of Sexual Harassment – agency responsibilities and prohibitions.

Bank Reconciliations

2. The three bank accounts selected for testing did not include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared.
3. One of the three bank accounts selected for testing did not have documentation reflecting that management has researched reconciling items that have been outstanding for more than 12 months from the statement closing date.

Collections

4. The individual responsible for collecting cash is also responsible for preparing/making bank deposits, and another individual does not reconcile collection documentation to the deposit.
5. The individual responsible for collecting cash is responsible for posting collection entries to the general ledger or subsidiary ledger, and another individual/official does not reconcile the general ledger postings to each other and to the deposit.
6. The individual responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is responsible for collecting cash, and another individual/ official does not verify the reconciliation.

Non-Payroll Disbursements

7. The individual responsible for processing payments is not prohibited from adding/modifying vendor files, and another employee does not periodically review changes to vendor files.

Credit Cards/Debit Cards/Fuel Cards/Purchase Cards

8. One of the seven credit card transactions selected for testing lacked written documentation of the business/public purpose.
9. One of the seven credit card transactions selected for testing did not include the documentation of the individuals participating in meals.

Payroll

10. The rate of pay for 1 employee selected for testing could not be agreed to the authorized salary/pay rate found within the personnel file.

Ethics

11. Documentation was not maintained to demonstrate the 3 of the employees selected for testing completed one hour of ethics training during the calendar year as required by R.S. 42:1170.
12. The entity has not appointed an ethics designee as required by R.S. 42:1170.

Prevention of Sexual Harassment

13. Documentation was not maintained to demonstrate the 3 of the employees selected for testing completed one hour of of sexual harassment training during the calendar year as required by R.S. 42:343.
14. The entity has not posted its sexual harassment policy and complaint procedure posted on its website.
15. Documentation was not maintained to demonstrate that the annual sexual harassment report for the current fiscal period was prepared on or before February 1.

Management's Response:

Management concurs with the exceptions noted and is working to address the deficiencies identified.

We were engaged by the Lafayette Public Trust Financing Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Lafayette Public Trust Financing Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
September 24, 2025