Northwest Louisiana Finance Authority

(A Component Unit of the City of Shreveport)

FINANCIAL STATEMENTS

December 31, 2025

REPORT

CARR, RIGGS & INGRAM, L.L.C.

Carr, Riggs & Ingram, L.L.C.
1000 East Preston Avenue
Suite 200
Shreveport, LA 71105

Mailing Address:
PO Box 4278
Shreveport, LA 71134

318.222.2222
318.226.7150 (fax)
CRIadv.com

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Northwest Louisiana Finance Authority
Shreveport, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of Northwest Louisiana Finance Authority (the "Authority"), a component unit of the City of Shreveport, as of and for the year ended December 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 financial position of the Authority as of December 31, 2025, and the changes in financial position and its cash flows 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 Auditor's 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 the 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 opinion. 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 judgment 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis listed in the table of contents, 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 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. 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2026, on our consideration of the Northwest Louisiana Finance 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 solely 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.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, L.L.C.

Shreveport, Louisiana
June 29, 2026

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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*

Board of Trustees
Northwest Louisiana Finance Authority
Shreveport, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Northwest Louisiana Finance Authority ("the Authority"), a component unit of the City of Shreveport, Louisiana, as of and for the year ended December 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 June 29, 2026.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 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, of a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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.*

Purpose of This Report

This 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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, L.L.C.

Shreveport, Louisiana
June 29, 2026

FINANCIAL STATEMENTS

Introduction

This management's discussion and analysis of the financial performance of Northwest Louisiana Finance Authority ("the Authority") provides an overview of the Authority's financial activities for the year ended December 31, 2025. It should be read in conjunction with the accompanying financial statements of the Authority.

Financial Highlights

The Authority's assets exceeded its liabilities by $2,574,720 (net position) as of December 31, 2025, and the Authority's total net position decreased by ($502,385) or (16.3%) during 2025. Current year operating revenues and the receipt of principal payments on outstanding mortgage-backed securities and the note receivable were used to pay the debt service on the outstanding bonds.

Non-operating gain for the year ended December 31, 2025 was $13,955, compared to a non-operating loss of ($8,137) for the year ended December 31, 2024. Payments on grants for the year ended December 31, 2025 were $1,069,115, compared with $0 for the year ended December 31, 2024. Pilot fee revenue also reduced by approximately $1 million from the prior year. These changes resulted in an overall change in net position of ($502,385).

Using This Annual Report

This Authority's financial statements consist of three statements – a statement of net position; a statement of revenues, expenses and changes in net position; and a statement of cash flows. These statements provide information about the activities of the Authority, including resources held by the Authority, but restricted for specific purposes.

The Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position

One of the most important questions asked by the Authority's finances is: "Is the Authority, as a whole, better off or worse off as a result of the year's activities?" The statement of net position and the statement of revenues, expenses and changes in net position report information about the Authority's resources and its activities in a way that helps answer this question. These statements include all restricted and unrestricted assets and all liabilities using the accrual basis of accounting. Using the accrual basis of accounting means that all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Authority's net position and its activities. The Authority's total net position-the difference between assets and liabilities–is one measure of the Authority's financial health or financial position. Over time, increases or decreases in the Authority's net position are an indicator of whether its financial health is improving or deteriorating. Other nonfinancial factors, such as local economic factors also should be considered to assess the overall financial health of the Authority.

Statement of Cash Flows

The statement of cash flows reports cash receipts, cash payments and net changes in cash and cash equivalents resulting from defined types of activities. It provides answers to such questions as where did cash come from, what was cash used for and what was the change in cash and cash equivalents during the reporting period.

The Authority's Net Position

The Authority's net position is the difference between assets and liabilities reported in the statement of net position, as shown in Table 1.

Table 1: Assets, Liabilities and Net Position

December 31,	2025	2024	Change
Assets			
Current assets	$ 1,057,852	$ 625,752	$ 432,100
Noncurrent assets	2,101,459	3,065,593	(964,134)
Total assets	3,159,311	3,691,345	(532,034)
Liabilities			
Current liabilities	117,893	64,740	53,153
Long-term liabilities	466,698	549,500	(82,802)
Total Liabilities	584,591	614,240	(29,649)
Net position			
Restricted	310,956	286,403	24,553
Unrestricted	2,263,764	2,790,702	(526,938)
Total net position	$ 2,574,720	$ 3,077,105	$ (502,385)

The total assets of the Authority decreased by $532,034 in the current year. This corresponds mainly to the current year decrease in total liabilities of and a decrease in net position of ($502,385). As cash flows from mortgage-backed securities and outstanding notes are received, payments are made on the existing debt.

The Authority's net position was $2,574,720 at December 31, 2025. Of this amount, $2,263,764 was unrestricted and represents funds owned by the Authority and not associated with an individual bond issue. Restricted net position is reported separately to show those amounts restricted by, and the use thereof governed by, the trust indentures for each bond issue.

Operating Results and Changes in the Authority's Net Position

In 2025, the Authority's net position decreased by ($502,385) or (16.3%), compared to a $1,527,265 increase in net position in 2024 as shown in Table 2. This decrease in net position is due mainly to a decrease in other-operating revenue of $1,020,777 related to new PILOT fees.

Table 2: Operating Results and Changes in Net Position

For the years ended December 31,	2025	2024	Change
Operating Revenues			
Interest on mortgage-backed securities and note receivable	$ 158,593	$ 107,377	$ 51,216
PILOT fees	494,695	1,515,472	(1,020,777)
Other operating revenues	15,000	15,000	-
Total operating revenues	668,288	1,637,849	(969,561)
Operating Expenses			
Interest on bonds	26,393	31,715	(5,322)
Payment of grant	1,069,155	-	1,069,155
Administrative expenses	89,080	70,732	18,348
Total operating expenses	1,184,628	102,447	1,082,181
Operating (loss) profit	(516,340)	1,535,402	(2,051,742)
Nonoperating gain (loss)	13,955	(8,137)	22,092
Change in net position	(502,385)	1,527,265	(2,029,650)
Net position, beginning of year	3,077,105	1,549,840	1,527,265
Net position, end of year	$ 2,574,720	$ 3,077,105	$ (502,385)

Debt Administration

During the year ended December 31, 2025, the Authority reduced its long-term debt by $79,502. No new debt was issued in 2025.

The 2003 Issue is a limited obligation of the Authority, payable-solely from the pledged investments and the interest thereon. The Series 2003A Issue was redeemed through a Series 2003B Issue in 2004, 2005 and 2007. The bonds in the 2004 Issue (Multi-Family – Refunding) were liquated in 2019.

For additional information on debt see Note 3.

Contacting the Authority's Financial Management

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Mr. Travis Morehart, CPA, 1215 Hawn Avenue, Shreveport, Louisiana 71107.

December 31,		2025
Assets		
Current assets		
Cash and cash equivalents	$	1,043,005
Accrued interest receivable		14,847
Total current assets		1,057,852
Noncurrent assets		
Investments		2,101,459
Total assets		3,159,311
Liabilities		
Current liabilities		
Current portion of bonds payable		63,240
Accrued expenses		4,168
Accounts payable		50,485
Total current liabilities		117,893
Bonds payable, non current		466,698
Total liabilities		584,591
Net Position		
Restricted		310,956
Unrestricted		2,263,764
Total net position	$	2,574,720

See accompanying notes to the financial statements.

Northwest Louisiana Finance Authority
Statement of Revenues, Expenses and Changes in Net Position

For the year ended December 31,		2025
Operating revenues		
Interest on mortgage-backed securities and note receivable	$	158,593
PILOT fees		494,695
Other operating revenues		15,000
Total operating revenues		668,288
Operating expenses		
Interest on bonds		26,393
Administrative expenses		89,080
Payment of grant		1,069,155
Total operating expenses		1,184,628
Operating profit (loss)		(516,340)
Nonoperating revenue (expense)		
Unrealized investment gain (loss)		13,955
Total nonoperating revenue (expenses)		13,955
Decrease in net position		(502,385)
Net position, beginning of year		3,077,105
Net position, end of year	$	2,574,720

See accompanying notes to the financial statements.

For the year ended December 31,		2025
Operating activities		
Interest payments received	$	179,238
Principal payments received		66,105
Interest paid		(27,025)
Principal payments on bonds		(79,502)
Cash paid for administrative expenses		(38,595)
Other operating income received		15,000
Payment on grants		(1,069,155)
Pilot fees		494,695
Net cash used in operating activities		(459,239)
Investing activities		
Sale of investments		911,984
Net cash provided by investing activities		911,984
Net increase in cash and cash equivalents		452,745
Cash and cash equivalents, beginning of year		590,260
Cash and cash equivalents, end of year	$	1,043,005
Reconciliation of operating loss to net cash used in operating activities		
Operating loss	$	(516,340)
Adjustments to reconcile operating loss to net cash used in operating activities		
Amortization of loan premium		(13,397)
Changes in operating assets and liabilities		
Accrued interest receivable		20,645
Accounts payable		50,485
Accrued expenses		(632)
Net cash used in operating activities	$	(459,239)
Schedule of Noncash Investing and Financing Activities		
Unrealized investment gain	$	13,955

See accompanying notes to the financial statements.

Note 1: NATURE OF ORGANIZATION

Reporting Entity

The Shreveport Home Mortgage Authority is a tax-exempt public trust, created pursuant to the constitution and laws of the state of Louisiana, particularly Chapter 2-A of Title 9 of the Louisiana Revised Statures of 1950, as amended and the trust indenture, dated October 24, 1978, with the City of Shreveport, Louisiana as beneficiary. The Authority can transfer excess cash to the City of Shreveport. Pursuant to the trust indenture, the Authority is authorized to undertake various programs (funded primarily by the issuance of debt) to assist in the financing of housing for persons of low to moderate income in the City of Shreveport. Upon providing financing, the Authority invests funds in mortgage-backed securities, such as FNMA and GNMA mortgage pools consisting of loans originated in Shreveport. On July 12, 2022, the Board of Trustees voted to amend the original Trust Indenture to be named the Northwest Louisiana Finance Authority ("the Authority").

The Authority began operations on September 14, 1979, and has since been involved in numerous bond issues with various issues (the Issues) still outstanding as discussed in Note 5.

Bonds and other obligations issued under the provisions of the trust indenture are not a debt or liability of the State of Louisiana, the City of Shreveport or any political subdivision.

Government Accounting Standards Board (GASB) Statement 14, *The Financial Reporting Entity*, as amended by GASB 61, *The Financial Reporting Entity: Omnibus and amendment of GASB Statements No. 14 and No. 34* has established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. The criteria include:

- Appointment of a voting majority of the governing board
- Organizations which are fiscally dependent
- Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship

Because the City government appoints the governing board, the Authority was determined to be a component unit of the City of Shreveport, Louisiana. The accompanying financial statements presents information only on the funds maintained by the Authority and do not present information on the City of Shreveport.

The City of Shreveport, Louisiana issues audited financial statements, which include the activity contained in the accompanying financial statements.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The Authority uses the accrual basis of accounting whereby expenses are recognized when the liability is incurred and revenues are recognized when earned. The Authority's financial statements are reported using the economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations of the Authority are included on the statement of net position.

The Authority prepares its financial statements as a business-type activity and accounts of the Authority are organized by bond issue series, each of which is considered a separate accounting entity. The operations of each issue are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, net position, revenues and expenses. The following propriety fund types are utilized by the Authority:

- Mortgage Purchase Program Funds - These funds are used to account for the proceeds from mortgage revenue bonds, the debt service requirements of the bonds and the related mortgage-backed securities for housing in the City of Shreveport.

- Operating Funds **-** These funds are the general operating funds of the Issues. All income and expenses not directly attributable to the Mortgage Purchase Program Funds are accounted for in these funds.

Interest earned on the investments and mortgage-backed securities in the Mortgage Purchases Program Funds is initially accounted for in those funds. The interest is then transferred to the respective bond fund's operating account when collected. To the extent monies are not available from the principal payments received on the mortgage-backed securities, the respective bond fund's operations account transfers monies to the Mortgage Purchase Program Funds in amounts sufficient to pay all interest and principal on the outstanding bonds.

Assets, Liabilities, and Net Position

Cash and Cash Equivalents

The Authority considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2025, cash equivalents consisted primarily of money market accounts with brokers.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and Investment Income

Investments, including mortgage-backed securities and mutual funds, are carried at fair value. Fair value is determined using quoted market prices.

Investment income includes dividend and interest income, realized gains, and losses on investments carried at other than fair value and the net change for the year in the fair value of investments carried at fair value.

Net Position

Net position of the Authority is classified in two components. Net position restricted for debt service consists of funds that reserved for outstanding bond payable balances. Also included in restricted net position are cash deposits that are earmarked for economic projects in Northwest Louisiana and for amounts that are designated/committed by the Board for a match for a Community Development grants from the City of Shreveport expected in 2025. Unrestricted net position is remaining assets that do not meet the definition of restricted funds.

Revenues and Expenditures/Expenses

The Authority distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the Authority's ongoing operations. The principal operating revenues of the Authority are interest receipts on mortgage-backed securities and the note receivable. The principal operating expenses of the Authority are interest charges on outstanding bonds and administrative expenses.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recently Issued and Implemented Accounting Pronouncements

GASB Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Issued and Implemented Accounting Pronouncements (Continued)

Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that cause the substantial impact have occurred, have begun to occur, or are more than likely than not to begin to occur within 12 months of the date of the financial statements

are issued. The requirements of this Statement are effective for fiscal years beginning after June 2024, and all reporting periods thereafter.

Pronouncements Issued But Not Yet Effective

GASB Statement No. 103, *Financial Reporting Model Improvements.* The new standard will revise and build upon the requirements in GASB Statement No. 34. The requirements of this Statement are effective for fiscal years ending June 30, 2026, and all reporting periods thereafter.

GASB No. 104, *Disclosure of Certain Capital Assets*. The new standard will improve financial reporting for state and local governments by requiring detailed, separate note disclosures for specific capital assets. The new standard will be effective for fiscal years beginning after June 15, 2025.

GASB No. 105, *Subsequent Events.* The new standard will enhance the consistency with which the standards for reporting subsequent events are applied, thereby better meeting the information needs of financial statement users.

Note 3: DETAILED NOTES ON ALL FUNDS

Deposits, Investments, and Investment Income

Cash deposits (including demand deposit accounts and bank deposit sweep program accounts at Raymond James) at December 31, 2025, had a carrying amount of $1,043,005 in the business-type funds.

The Authority's bank balance of deposits at December 31, 2025, is not exposed to any custodial credit risk. Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned. All the Authority's deposits are covered by FDIC insurance.

State statutes authorized the Authority to invest in direct obligations of the United States Treasury, United States government agency obligations and Louisiana Asset Management Pool (LAMP), a local government investment pool. LAMP is administered by LAMP, Inc., a nonprofit corporation organized under the laws of the State of Louisiana.

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits, Investments, and Investment Income (Continued)

The investments with original maturities of three months or more are classified as investments. At December 31, 2025, the Authority held investments in FNMA and GMNA mortgage-backed securities and U.S. debt securities as seen in the following table.

The Authority's investment balance at December 31, 2025, consisted of the following:

		Maturities in Years				
Type	Fair Value	Less than 1	1 - 5	6 - 10	More than 10	Level
FNMA mortgage-backed securities	$ 3,071	$ 873	$ 2,198	$ -	$ -	1
US treasury notes and treasury bills	1,548,533	1,261,464	287,068	-	-	1
GNMA mortgage-backed securities	12,071	-	12,071	-	-	1
GNMA mortgage loan receivables	537,785	-	-	537,785	-	2
	$ 2,101,459	$ 1,262,337	$ 301,337	$ 537,785	$ -	

Fair Value Measurements

GASB Statement No. 72, establishes a hierarchy of inputs to valuation techniques used to measure fair value. The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The implementation of this new statement did not change the method of measuring the fair value of the Authority's assets.

These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1—Investments reflect prices quoted in active markets.
- Level 2—Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active.
- Level 3—Investments reflect prices based upon unobservable sources.

Although maturity of the FNMA and GNMA pass-through mortgage securities are greater than 10 years, there has been an acceleration of paying in full the mortgage certificates. The Authority has been using the accelerated payments to pay down the 2003 bonds. Actual maturities may differ materially from the schedule.

- Interest Rate Risk - As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy limits at least 65% of its investment portfolio to maturities of less than one-year (excluding mortgage certificates) and a maximum of 35% to maturities of one to more than 10 years (excluding mortgage certificates).

Note 3: DETAILED NOTES ON ALL FUNDS (CONTINUED)

Fair Value Measurements (Continued)

- Credit Risk – Is the risk that the issuer or other counterparty to an investment will not fulfil its obligations. All mortgage-backed securities are guaranteed by FNMA or GNMA. The Authority's investment policy requires all securities to be investment-grade obligations. At December 31, 2025, the Authority's investments in money market mutual funds were rated Aaa by Moody's Investor's Service and AAAm-G by Standard & Poor's. Investment in FNMA and GNMA pass-through mortgage certificates are not used.

- Custodial Credit Risk – For an investment, 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 investment or collateral securities that are in the possession of an outside party. The Authority's investments are not subject to custodial credit risk.

- Concentration of Credit Risk – The Authority does not limit the amount that may be invested in any one issuer.

Applicable state statutes do not address credit quality ratings, concentration of credit risk by issuer or investment maturity limitations.

Fair Value Measurements

Investment income, including amounts earned on mortgage-backed securities and the note receivables for the year ended December 31, 2025, consists of:

Operating Revenues		
Interest on mortgage-backed securities and notes receivable	$	158,593
Nonoperating expenses		
Unrealized investment gain (loss)		13,955
	$	172,548

Note 3: DETAILED NOTES ON ALL FUNDS (CONTINUED)

Bonds Payable

Bonds payable at December 31, 2025, consisted of:

December 31,		2025
2003 Issue (Single Family) - Single Family Mortgage Revenue Bonds, 2003A (Redeemed) and 2003B dated August 1, 2003 - $7,500,000 original issue Revenue Refunding Bonds at interest rates of 4.57% - 5.37%, due April 1, 2037 (payments have been accelerated and estimated pay-off will be different than original maturity date).	$	529,938
Balances at December 31, 2025		529,938
Less current maturities		(63,240)
Noncurrent bond payable at December 31, 2025	$	466,698

A schedule of changes in long-term debt for the year ended December 31, 2025 is as follows:

Balances at January 1, 2025	$	609,440
Additions		-
Deletions - cash payments		(79,502)
Balances at December 31, 2025	$	529,938

Debt service scheduled requirements as of December 31, 2025 are as follows:

Years Ending December 31,		Total to be Paid		Principal		Interest
2026	$	100,532	$	63,240	$	37,292
2027		99,753		66,721		33,032
2028		99,776		70,393		29,383
2029		99,954		74,267		25,687
2030		100,142		78,355		21,787
Thereafter		203,363		176,962		26,401
	$	703,520	$	529,938	$	173,582

The 2003 Issue is a limited obligation of the Authority, payable-solely from the pledged investments and the interest thereon. The Series 2003A Issue was redeemed through a Series 2003B Issue in 2004, 2005 and 2007.

There are a number of limitations and restrictions contained in the various bond indentures. The Authority is in compliance with all significant limitations and restrictions.

Note 3: DETAILED NOTES ON ALL FUNDS (CONTINUED)

Restricted Assets

A substantial portion of the amounts reflected in the statement of net position represent assets in such accounts or funds designated under the trust indenture for each Issue to be invested and/or held for subsequent disbursement in such manner and such time as specifically defined in the respective trust indenture.

All of the assets of the Mortgage Purchase Program Funds are restricted by, and the use thereof is governed by, the trust indentures.

Note 4: SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER

Act 706 of the Regular Legislative Session requires the total compensation, reimbursements, and benefits of an agency head he reported as a supplemental report within the financial statement. This note serves as the report. The Agency Head of the Authority is the Chairman of the Board of Trustees. H. Calvin Austin was the Chairman of the Board of Trustees for the month of January 2025 and Claville-Burks was the Chairwoman of the Board of Trustees from February 2025 to December 2025. Neither of these individuals received any compensation, benefits or other payments during this time period.

Note 5: SUBSEQUENT EVENTS

The Authority passed a resolution on May 13, 2026 authorizing and providing for the incurrence of up to $99.9 million indebtedness for the purpose of providing a portion of the cost of acquiring, constructing, enlarging, improving and /or extending its construction of roads and toll bridge.

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 29, 2026 and determined there were no other events that occurred that required disclosure.

CURRENT YEAR FINDINGS AND QUESTIONED COSTS

Section I - Internal Control and Compliance Material to the Financial Statements

No findings have been reported in the current year.

Section II - Internal Control and Compliance Material to Federal Awards.

N/A

Section III -- Management Letter

No management letter was issued.

PRIOR YEAR FINDINGS AND QUESTIONED COSTS

Section I - Internal Control and Compliance Material to the Financial Statements

None

Section II - Internal Control and Compliance Material to Federal Awards

N/A

Section III -- Management Letter

No management letter was issued.