

BOSSIER PUBLIC TRUST FINANCING AUTHORITY

SINGLE FAMILY MORTGAGE PROGRAM

NOVEMBER 30, 2017 AND 2016

BOSSIER PUBLIC TRUST FINANCING AUTHORITY

SINGLE FAMILY MORTGAGE PROGRAM

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MANAGEMENT'S DISCUSSION AND ANALYSIS
BOSSIER PUBLIC TRUST FINANCING AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section presents readers of the financial statements of Bossier Public Trust Financing Authority with a narrative overview and analysis of its financial activities for the fiscal year ended November 30, 2016. It is intended to serve as an introduction to the basic financial statements of Bossier Public Trust Financing Authority, which statements consist of fund financial statements and the notes thereto. Because the activities of the Authority consist solely of a single, specific program, the fund financial statements present the same information that would otherwise be included in government-wide financial statements that are designed to provide a broad overview of all the Authority's finances, in a manner similar to that of private-sector businesses.

Financial Analysis

The financial statements of the Authority present the financial transactions of the Single Family Mortgage Program, which is designed to provide funds for the purchase of single family residences in Bossier Parish through the issuance of revenue bonds. The Program is self-liquidating, in the sense that the bonds are repaid over their terms from the proceeds generated from mortgage loan repayments by homeowners.

At November 30, 2017, 99.95% of the Authority's total assets of \$379,101 consisted of investments in mortgage-backed securities and other investments. Those investments increased by \$373 in 2017 and decreased by \$646 in 2016. Interest earned during the year on mortgage loan investments, which amounted to \$3,455, was more than the administrative expense of \$455. During 2016, interest earned of \$2,417 was less than administrative and other expenses of \$3,193.

Requests for Information

This financial report is designed to provide a general overview of Bossier Public Trust Financing Authority's finances for all those with an interest in the Authority's financial operations of its Single Family Mortgage Program. Questions concerning any of the information provided in this report, or requests for additional information, should be addressed to the Administrative Agent, Bossier Public Trust Financing Authority, 710 Benton Road, Bossier City, Louisiana 71111.

FINANCIAL STATEMENTS

BOSSIER PUBLIC TRUST FINANCING AUTHORITY

HEARD, McELROY, & VESTAL

LLC

CERTIFIED PUBLIC ACCOUNTANTS

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318-429-1525 PHONE • 318-429-2070 FAX

May 22, 2018

The Board of Trustees
Bossier Public Trust Financing Authority
Bossier City, Louisiana

Independent Auditor's Report

Report on the Financial Statements

We have audited the accompanying financial statements of Bossier Public Trust Financing Authority, a component unit of Bossier City, which comprise the statements of financial position as of November 30, 2017 and 2016, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

HMV

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bossier Public Trust Financing Authority as of November 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the *United States of America*.

Other Matters

Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis* on page i be presented to supplement the basic financial statements. Such 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. 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.

Heard, McElroy & Vestal, LLC

Shreveport, Louisiana

BOSSIER PUBLIC TRUST FINANCING AUTHORITY

SINGLE FAMILY MORTGAGE PROGRAM

STATEMENTS OF FINANCIAL POSITION

NOVEMBER 30, 2017 AND 2016

<u>A S S E T S</u>	<u>Mortgage Program Fund</u>	
	<u>2017</u>	<u>2016</u>
Cash and temporary investments-Note 2	935	480
Accrued interest receivable	184	102
Investments (market value \$381,710-2017 and \$383,184-2016)-Notes 2 and 3	<u>377,982</u>	<u>378,064</u>
Total assets	<u>379,101</u>	<u>378,646</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Liabilities	-	-
Net assets-unrestricted	<u>379,101</u>	<u>378,646</u>
Total liabilities and net assets	<u>379,101</u>	<u>378,646</u>

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

BOSSIER PUBLIC TRUST FINANCING AUTHORITY

SINGLE FAMILY MORTGAGE PROGRAM

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED NOVEMBER 30, 2017 AND 2016

	<u>Mortgage Program Fund</u>	
	<u>2017</u>	<u>2016</u>
<u>Revenues:</u>		
Interest on mortgage loans and investments	3,455	2,417
<u>Expenses:</u>		
Other	-	193
Administrative expenses	<u>3,000</u>	<u>3,000</u>
Total expenses	<u>3,000</u>	<u>3,193</u>
<u>Excess (deficit) of revenues over expenses</u>	455	(776)
<u>Net assets, beginning of year</u>	<u>378,646</u>	<u>379,422</u>
<u>Net assets, end of year</u>	<u>379,101</u>	<u>378,646</u>

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

BOSSIER PUBLIC TRUST FINANCING AUTHORITY

SINGLE FAMILY MORTGAGE PROGRAM

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED NOVEMBER 30, 2017 AND 2016

	<u>Mortgage Program Fund</u>	
	<u>2017</u>	<u>2016</u>
<u>Cash flows from operating activities:</u>		
Excess (deficit) of revenues over expenses	455	(776)
Adjustments to reconcile excess (deficit) of revenues over expenses to net cash (used) provided by operations:		
Change in assets and liabilities:		
Accrued interest receivable	<u>(82)</u>	<u>130</u>
Net cash (used) provided by operations	373	(646)
<u>Cash flows from investing activities:</u>		
Proceeds from sale/maturity of investments	5,551	6,008
Purchase of investments	<u>(5,469)</u>	<u>(5,365)</u>
Net cash provided (used) by investing activities	<u>82</u>	<u>643</u>
<u>Change in cash and temporary investments</u>	455	(3)
<u>Cash and temporary investments, beginning of year</u>	<u>480</u>	<u>483</u>
<u>Cash and temporary investments, end of year</u>	<u>935</u>	<u>480</u>
<u>Supplemental disclosure of cash flow information:</u>		
Cash paid during the year for interest	<u>-</u>	<u>-</u>

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

BOSSIER PUBLIC TRUST FINANCING AUTHORITY

SINGLE FAMILY MORTGAGE PROGRAM

NOTES TO FINANCIAL STATEMENTS

NOVEMBER 30, 2017 AND 2016

1. Organization and Summary of Significant Accounting Policies

Organization

The Authority, a public trust, was created on May 29, 1979 in accordance with the provisions of a Trust Indenture with the City of Bossier City, Louisiana and Chapter 2-A of Title 9 of the Louisiana Revised Statutes of 1950, as amended. Operations of the Authority commenced on January 9, 1980 with the sale and issuance of its Single Family Mortgage Revenue Bonds, 1979 Series A and the subsequent acquisition of mortgage loans on single family residences in the Parish of Bossier, Louisiana (the "Program").

On April 1, 1992, the Authority executed a plan to refund its Program bonds by exchanging its 1979 Series A bond issue for the Single Family Mortgage Revenue Refunding Bonds, Series 1992. The new bonds were issued in accordance with a "Resolution of the Issuer" and an "Indenture of Trust" dated April 1, 1992 between the Issuer and the Trustee to provide sufficient funds to refund the Single Family Mortgage Revenue Bonds, 1979 Series A on June 1, 1992. On November 16, 1995 the Authority refunded the Single Family Mortgage Revenue Refunding Bonds, Series 1992, with Single Family Mortgage Revenue Refunding Bonds, Series 1995B, and Taxable Single Family Mortgage Revenue Bonds, Series 1995A.

Under the Program, the Authority utilizes area financial institutions to service mortgage loans acquired. In addition, a bank has been designated as Trustee for the Program and has the fiduciary responsibility for the custody and investment of funds.

The bonds are special obligations of the Authority and do not constitute obligations of the State of Louisiana, the City of Bossier City, the Parish of Bossier, or any political subdivision thereof.

The Agency is a component unit of the City of Bossier City, Louisiana. The financial statements include all account groups which are controlled by or are dependent on the Agency's Board of Directors. Control by or dependence on the City was determined on the basis of taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

Fund Accounting

The assets, liabilities, and fund balance of the Authority are reported in a self-balancing fund group referred to as the Mortgage Program Fund. This fund provides for the accounting of all Authority revenues and expenses.

The nature of the Authority's financial reporting is not significantly affected by governmental accounting standards.

1. **Organization and Summary of Significant Accounting Policies** (Continued)

Basis of Accounting

The fund is maintained on the accrual basis of accounting for financial reporting purposes.

Cash and Temporary Investments

For purposes of the statement of cash flows, the Authority considers all highly liquid debt instruments with a maturity of three months or less when purchased to be cash and temporary investments.

Investments

Investments are carried at cost which is adjusted for accretion of discount or amortization of premium. Market value declines are not recorded since the Authority's intention is to hold these investments to maturity. The Authority is permitted to invest in Moody's rated "AAA" state and municipal bonds, obligations of the United States Government and Obligations of the Federal Home Loan Bank. No violations of the investment policy were noted at November 30, 2017 and 2016.

Bond Issuance Costs and Premiums

Bond issuance costs are expensed as incurred. Premiums are taken into income when the bonds are issued.

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 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, expenditures, expenses, and other financing sources and uses during the reporting period. Actual results could differ from those estimates.

2. **Cash and Temporary Investments**

Portions of cash, temporary investments, and investments included in the Mortgage Program Fund, as prescribed in the Indentures, are restricted for bond principal reduction. As of November 30, 2017 and 2016, these restricted amounts totaled approximately \$-0- and \$-0-, respectively.

3. **Investments**

Pursuant to the Indenture, the Bonds will be secured by an assignment and pledge of all right, title and interest of the Authority in and to (1) the 1995 Program GNMA Securities, the 1995 Program FNMA Securities, the 1979 Mortgage Loan FNMA Securities (each excluding the Excess Interest Portion thereof) and the Pledged Revenues, (2) all moneys and securities received under a GNMA Guaranty Agreement pursuant to which GNMA agrees to guarantee the timely payment of principal and interest on the 1995 Program GNMA Securities, (3) any rights of the Authority in and to the general intangibles and proceeds of the general intangibles relating to the Program, including, but not limited to, the Origination Agreements (excluding certain rights with respect to indemnification and the payment of fees and expenses) and Servicing Agreement (excluding certain rights with respect to indemnification and payment of fees and expenses) and (4) all moneys and securities or other investments (including, without limitation, the Investment Agreement) held in any fund or account, including the Program Fund and the Revenue Fund, but excluding moneys and securities in the Rebate Fund, the Costs of Issuance Account, the Excess Interest Fund and the Excess Interest Portion.

3. **Investments** (Continued)

Investments consist of the following:

	<u>2017</u>	<u>2016</u>
Dreyfus Institutional Reserve Treasury Fund	344,616	342,034
FNMA/GNMA pools 6.625%, due in 2026	<u>33,366</u>	<u>36,030</u>
Totals	<u>377,982</u>	<u>378,064</u>

4. **Subsequent Events**

Management has evaluated subsequent events through May 22, 2018, the date the financial statements were available to be issued.

5. **Compensation – Act 706**

David Rockett is the agency head. No compensation was paid by the Bossier Public Trust Financing Authority; thus, a schedule of compensation is not applicable.