

**LAFAYETTE PUBLIC TRUST  
FINANCING AUTHORITY**

Lafayette, Louisiana

Financial Report

Year Ended March 31, 2020

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

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, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### 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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain 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 opinions.

## ***Opinions***

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 Lafayette Public Trust Financing Authority, as of March 31, 2020, 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.

## ***Emphasis of Matter***

As discussed in Note 13 to the basic financial statements, the Government had a prior year restatement. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that budgetary comparison information on page 30 be presented to supplement the basic financial statements. Such information, 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.

The Authority 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***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The other supplementary information on pages 32 and 33 are presented for purposes of additional analysis and is not a required part of the basic financial statements.

The comparative balance sheet and the budgetary comparison schedule - revenues, expenditures, and changes in fund balance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the comparative balance sheet and the budgetary comparison schedule - revenues, expenditures, and changes in fund balance are fairly stated in all material respects in relation to the basic financial statements as a whole. The prior year comparative amounts on the comparative balance sheet and the budgetary comparison schedule - revenues, expenditures, and changes in fund balance were derived from the Authority's 2019 financial statements and, in our opinion, were fairly presented in all material respects in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 5, 2020 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 over financial reporting and compliance.

***Kolder, Slaven & Company, LLC***

Certified Public Accountants

Lafayette, Louisiana  
September 5, 2020

## **BASIC FINANCIAL STATEMENTS**

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

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY  
Lafayette, Louisiana

Statement of Net Position  
March 31, 2020

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current:	
Cash and interest-bearing deposits	\$ 3,214,886
Investments	14,906,165
Rent receivable	1,396
Notes receivable	35,281
Mortgages receivable, net	561,614
Accrued interest receivable	370,928
Other receivables	320,304
Restricted cash	282,675
Property held for resale	<u>592,202</u>
Total current assets	<u>20,285,451</u>
Noncurrent assets:	
Mortgages receivable, net	3,418,650
Notes receivable	3,519,583
Investment in companies	1,889,439
Capital assets, net	<u>2,176,055</u>
Total noncurrent assets	<u>11,003,727</u>
Total assets	<u>31,289,178</u>
<b>LIABILITIES</b>	
Accounts payable	28,688
Security deposits	<u>1,500</u>
Total liabilities	<u>30,188</u>
<b>NET POSITION</b>	
Net investment in capital assets	2,176,055
Unrestricted	<u>29,082,935</u>
Total net position	<u>\$ 31,258,990</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, 2020

Activities	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position
		Charges for Services	Capital Grants and Contributions	Governmental Activities
Governmental activities:				
General government	<u>\$ 875,333</u>	<u>\$ 96,732</u>	<u>\$ -</u>	<u>\$ (778,601)</u>
General revenues:				
Interest and investment earnings				1,244,772
Other revenue				<u>85,274</u>
Total general revenues				<u>1,330,046</u>
Change in net position				551,445
Net position, beginning				<u>30,707,545</u>
Net position, ending				<u>\$ 31,258,990</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, 2020

	<u>General</u>
ASSETS	
Current:	
Cash and interest-bearing deposits	\$ 3,214,886
Investments	14,906,165
Rent receivable, net	1,396
Notes receivable	35,281
Mortgages receivable, net	561,614
Accrued interest receivable	370,928
Other receivables	320,304
Restricted cash	282,675
Property held for resale	592,202
Total current assets	<u>20,285,451</u>
Noncurrent:	
Mortgages receivable, net	3,418,650
Notes receivable	3,519,583
Total noncurrent assets	<u>6,938,233</u>
Total assets	<u>\$27,223,684</u>
LIABILITIES AND FUND BALANCES	
Current liabilities:	
Accounts payable	\$ 28,688
Security deposits payable	1,500
Total liabilities	<u>30,188</u>
Fund balances:	
Nonspendable:	
Property held for resale	592,202
Noncurrent notes receivable	3,519,583
Total nonspendable	4,111,785
Committed - First Time Homebuyer Program	4,262,939
Unassigned	18,818,772
Total fund balances	<u>27,193,496</u>
Total liabilities and fund balances	<u>\$27,223,684</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, 2020

Total fund balance for the governmental fund at March 31, 2020			\$ 27,193,496
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.			1,889,439
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:			
Land	\$ 64,635		
Buildings and improvements, net of \$226,379 accumulated depreciation	<u>2,111,420</u>	<u>2,176,055</u>	
Total net position of governmental activities at March 31, 2020			<u>\$ 31,258,990</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, 2020

	<u>General</u>
Revenues:	
Interest on mortgages receivable	\$ 183,555
Interest on interest-bearing deposits and investments	602,665
Interest on notes receivable	43,038
Realized loss on disposition of investments	(4,659)
Unrealized gain on investments	420,173
Rental income	96,732
Loan fees	2,096
Tax credit income	43,178
Total revenues	<u>1,386,778</u>
Expenditures:	
Current -	
General government:	
Accounting and auditing	35,580
Advertising	201
Conferences and meetings	973
Insurance	39,445
Investment expense	945,517
Legal fees	15,339
Maintenance	69,034
Miscellaneous	1,362
Office expenses	33,162
Payroll expenses	148,324
Professional fees	11,823
Rent	44,983
Uncollectible receivables	(2,999)
Utilities	7,855
Capital outlay	<u>126,536</u>
Total expenditures	<u>1,477,135</u>
Deficiency of revenues over expenditures	(90,357)
Other financing sources:	
Proceeds from sale of assets	<u>40,000</u>
Net change in fund balance	(50,357)
Fund balance, beginning, as restated	<u>27,243,853</u>
Fund balance, ending	<u><u>\$27,193,496</u></u>

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

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY  
Lafayette, Louisiana

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, 2020

Total net changes in fund balance at March 31, 2020 per statement of revenues, expenditures and changes in fund balance			\$ (50,357)
The change in net position reported for governmental activities in the statement of activities is different because:			
The losses from investment companies are not considered a current financial use; therefore, are not reported in the governmental fund.			(94,790)
The contributions to investment companies are not considered available; therefore, are not reported in the governmental fund.			637,555
Governmental fund reports capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.			
Capital outlay which are considered expenditures on the statement of revenues, expenditures and changes in fund balance		\$ 126,536	
Depreciation expense		(65,966)	
Loss on disposal of asset		<u>(1,533)</u>	<u>59,037</u>
Total changes in net position at March 31, 2020 per statement of activities			<u>\$ 551,445</u>

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, 2020, the allowance for uncollectible mortgages and rent is \$641,065 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."

Property Held for Resale

Property held for resale is valued at cost. The cost is recorded as an expenditure at the time the property is sold. The property is equally offset by a fund balance reserve to indicate that it does not constitute "available expendable resources" even though it is a component of net position.

Compensated absences

The Authority grants vacation benefits to employees after six months of employment. Vacation earned is based on years of service. The Authority encourages use of vacation benefits in the year granted, therefore, no vacation payable is expected at year end. Any carryover of vacation time must be approved. Sick time benefits are not paid upon separation of employment from the Authority for any reason.

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. There were no deferred outflows of resources and deferred inflows of resources at March 31, 2020.

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.

G. Budgets

The Authority's budget is adopted on a basis consistent with generally accepted accounting principles. The following procedures are followed 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. A public hearing is called; (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.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY  
Lafayette, Louisiana

Notes to Financial Statements (Continued)

(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, 2020, the Authority had cash and interest-bearing deposits (book balances) of \$3,497,561 as follows:

Governmental activities:	
Demand deposits	\$ 411,282
Money market accounts	<u>3,086,279</u>
Totals	<u>\$ 3,497,561</u>

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, 2020 are secured as follows:

Bank balances	<u>\$ 3,534,692</u>
Federal deposit insurance	\$ 750,000
Pledged securities	<u>2,784,692</u>
Total	<u>\$ 3,534,692</u>

Deposits in the amount of \$2,784,692 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the Authority's name. The Authority does not have a policy for custodial credit risk.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY  
Lafayette, Louisiana

Notes to Financial Statements (Continued)

(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, 2020, 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
Certificates of Deposit	5%	\$ 679,157	\$ -	\$ 679,157	\$ -	\$ -
Corporate Bonds	2%	251,795	251,795	-	-	-
Collateralized Mortgage Obligations	3%	595,465	-	-	-	595,465
Mortgage Backed Securities	1%	84,518	-	9,248,000	-	75,270
Municipal Obligations	88%	13,190,259	551,991	5,578,941	3,300,825	3,758,502
Government Obligations	<u>1%</u>	<u>104,971</u>	<u>-</u>	<u>104,971</u>	<u>-</u>	<u>-</u>
Total	<u>100%</u>	<u>\$14,906,165</u>	<u>\$803,786</u>	<u>\$6,372,317</u>	<u>\$3,300,825</u>	<u>\$4,429,237</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, 2020, no more than 5% of the Authority's total investments were invested in any single issue.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY  
Lafayette, Louisiana

Notes to Financial Statements (Continued)

<u>Rating by Standard &amp; Poor's</u>	<u>Fair Value</u>
AAA	\$ 2,652,850
AA+	2,699,664
AA-	2,745,435
AA	3,413,376
A+	399,116
A	351,342
A-	255,186
Not rated	<u>2,389,196</u>
	<u>\$14,906,165</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, 2020.

The Authority recognized a net increase in the fair value of investments for the fiscal year ended March 31, 2020 in the amount of \$420,173. This amount takes into account all the changes in fair value (including purchases and sales) that occurred during the year. The unrealized gain on investments held at March 31, 2020 was \$869,339.

(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. 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. The development owner applied for, and received an allocation of 9% tax credits from the Louisiana Housing Finance Agency. On December 1, 2010, the Partnership closed on construction financing related to the project. As part of the funding agreements, the Corporation, and the Authority have jointly guaranteed a bridge loan in the amount of \$2,650,000, and a construction loan, which has a draw limit of \$2,316,000. Both of these loans will be refinanced at completion of construction using non-recourse debt, which will remove the guaranties at that time.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY  
Lafayette, Louisiana

Notes to Financial Statements (Continued)

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.

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.

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 March 31, 2020, the Authority's investment in the Company amounted to \$1,019,671.

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 March 31, 2020, the Authority's investment in the Company amounted to \$83,414.



LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY  
Lafayette, Louisiana

Notes to Financial Statements (Continued)

The Monroe, LLC- The Authority created The 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 March 31, 2020, The Monroe, LLC owed the Authority \$280,595 for project expenses, which is included in the amount reported as other receivables in the Authority's financial statements.

Espee Lafayette, LLC- The Authority created Espee Lafayette, LLC during 2019 for the purpose of acquiring real estate on behalf of the LPTFA. The Authority made member contributions in the amount of \$637,555 during the fiscal year ending March 31, 2020. The Authority is the sole member of the Louisiana Limited Liability Company. As of March 31, 2020, the Authority's investment in the Company amounted to \$786,354.

(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.

\$ 457,614

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.

567,833

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, 2020, the loan had accrued interest of \$218,548.

1,000,000

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY  
Lafayette, Louisiana

Notes to Financial Statements (Continued)

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
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 \$2,762.33 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.	475,717
On April 12, 2016, the Authority issued a \$150,000 non-interest bearing note that will require no payment until April 12, 2021 for property purchased on behalf of Faith House, Inc. to support Project Hope. The Authority will donate the property at the end of the term if Faith House, Inc. meets the fundraising benchmarks specified within the note agreement.	150,000
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.	104,700
On January 17, 2020, the Authority issued a \$125,000 interest bearing note to Sinfidelity, LLC to produce a Motion Picture. The production company assigned film tax credits related to eligible production expenses for repayment of the principal balance. The production company is also responsible to pay an additional 10% of the loan amount in interest.	125,000
On January 17, 2020, the Authority issued a \$125,000 interest bearing note to Sinfidelity, LLC to produce a Motion Picture. The production company assigned film tax credits related to eligible production expenses for repayment of the principal balance. The production company is also responsible to pay an additional 10% of the loan amount in interest.	125,000
	3,554,864
Less current portion	(35,281)
Noncurrent notes receivable	<u>\$3,519,583</u>

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY  
Lafayette, Louisiana

Notes to Financial Statements (Continued)

(6) Capital Assets

Capital asset activity for the year ended March 31, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 33,704	\$ 30,931	\$ -	\$ 64,635
Construction in progress	540,403	-	540,403	-
Other capital assets:				
Buildings and improvements	1,703,324	634,475	-	2,337,799
Equipment	6,213	-	-	6,213
Totals	<u>2,283,644</u>	<u>665,406</u>	<u>540,403</u>	<u>2,408,647</u>
Less accumulated depreciation				
Building and improvements	160,516	65,863	-	226,379
Equipment	6,110	103	-	6,213
Total accumulated depreciation	<u>166,626</u>	<u>65,966</u>	<u>-</u>	<u>232,592</u>
Capital assets, net	<u>\$ 2,117,018</u>	<u>\$ 599,440</u>	<u>\$ 540,403</u>	<u>\$ 2,176,055</u>

At March 31, 2020, governmental activities had depreciation expense in the amount of \$65,966.

(7) 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, 2020, the Authority had mortgages receivable in the amount of \$4,621,329. The Authority had an allowance for doubtful account accounts for mortgages receivable in the amount of \$641,065 at March 31, 2020.

(8) 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.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY  
Lafayette, Louisiana

Notes to Financial Statements (Continued)

(9) Conduit Debt Obligations and Contingencies

On April 15, 2009, the Authority issued Revenue Bonds in the amount of \$12,500,000 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.

On December 2, 2010, the Authority issued additional Revenue Bonds in the amount of \$22,200,000 to provide financial assistance to Ragin' Cajun Facilities, Inc., for the development, design construction and equipping of a student union and other infrastructure at the University of Louisiana at Lafayette.

On December 14, 2010, the Authority issued additional Revenue Bonds in the amount of \$100,050,000 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.

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, 2020, there were five series of revenue bonds outstanding. The principal amount outstanding for these issues was \$126,035,000. The original issue amount of the bonds was \$162,675,000.

(10) 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.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY  
Lafayette, Louisiana

Notes to Financial Statements (Continued)

- 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, 2020:

Description	Total	(Level 1)	(Level 2)	(Level 3)
Certificates of deposit	\$ 679,157	\$ 679,157	\$ -	\$ -
Corporate Bonds	251,795	-	251,795	-
Collateralized Mortgage Obligations	595,465	-	595,465	-
Mortgage Backed Securities	84,518	-	84,518	-
Municipal Obligations	13,190,259	-	13,190,259	-
Government Obligations	104,971	-	104,971	-
Total	<u>\$14,906,165</u>	<u>\$ 679,157</u>	<u>\$14,227,008</u>	<u>\$ -</u>

(11) Related Party Transactions

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, the Authority loaned \$21,805 to Studio 114, LLC to cover operating costs.

The Authority provided owner contributions to JDV Development, LLC in the amount of \$307,962 during the fiscal year ending March 31, 2020 to cover property repairs and operating expenses.

The Authority provided owner contributions to Espee Lafayette, LLC in the amount of \$637,555 during the fiscal year ending March 31, 2020 to purchase commercial rental properties.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY  
Lafayette, Louisiana

Notes to Financial Statements (Continued)

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

There no compensation, benefits, or other payments to Patrick Magee for the period April 1, 2019 through September 23, 2019 and Anthony Daniel for the period September 24, 2019 through March 31, 2020.

(13) Prior Year Restatement

The Authority paid \$236,144 of capital outlay expenditures related to the development of an apartment complex during the fiscal year ending March 31, 2019. During the current fiscal year, the Authority approved that the limited liability company created to account for the construction and operations of the apartment complex would reimburse the Authority for all prior and current expenses related to the apartment project. The net effect of recording this reimbursement resulted in a restatement of previously reported fund balance as follows:

	<u>Governmental Fund Financial Statements</u>
Net position, beginning of year, as previously reported	\$ 27,007,709
Net effect of recording a receivable for prior year expenses	<u>236,144</u>
Net position, beginning of year, as restated	<u>\$ 27,243,853</u>

(14) Subsequent Events

On March 22, 2020, the Governor declared a Public Health emergency in Proclamation Number 25 JBE 2020 in response to the threat posed by COVID-19. Effective March 23, 2020, all individuals within the State of Louisiana are under a general stay-at-home order and are directed to stay home unless performing an essential activity. As a result, economic uncertainties have arisen which may impact the ongoing operations of the Authority; however, the extent and severity of the potential impact is unknown at this time.

## **REQUIRED SUPPLEMENTARY INFORMATION**

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY  
Lafayette, Louisiana

Budgetary Comparison Schedule  
General Fund  
Year Ended March 31, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest on mortgages receivable	\$ 150,000	\$ 150,000	\$ 183,555	\$ 33,555
Interest on interest-bearing deposits and investments	660,000	660,000	602,665	(57,335)
Interest on notes receivable	-	-	43,038	43,038
Realized loss on disposition of investments	-	-	(4,659)	(4,659)
Unrealized gain (loss) on investments	(500,000)	(300,000)	420,173	720,173
Rental income	80,000	72,000	96,732	24,732
Loan fees	3,000	3,000	2,096	(904)
Tax credit income	15,000	15,000	43,178	28,178
Total revenues	<u>408,000</u>	<u>600,000</u>	<u>1,386,778</u>	<u>786,778</u>
Expenditures:				
Current -				
General government:				
Accounting and auditing	50,000	50,000	35,580	14,420
Advertising	5,000	5,000	201	4,799
Conferences and meetings	15,000	15,000	973	14,027
Grant awards	15,000	15,000	-	15,000
Insurance	52,000	52,000	39,445	12,555
Investment expense	-	960,000	945,517	14,483
Legal fees	50,000	50,000	15,339	34,661
Maintenance	50,000	74,000	69,034	4,966
Miscellaneous	10,000	10,000	1,362	8,638
Office expenses	60,000	60,000	33,162	26,838
Payroll expenses	152,000	152,000	148,324	3,676
Professional fees	22,000	22,000	11,823	10,177
Rent	-	45,000	44,983	17
Uncollectible receivables	185,000	185,000	(2,999)	187,999
Utilities	7,500	10,000	7,855	2,145
Capital outlay	<u>1,800,000</u>	<u>1,000,000</u>	<u>126,536</u>	<u>873,464</u>
Total expenditures	<u>2,473,500</u>	<u>2,705,000</u>	<u>1,477,135</u>	<u>1,227,865</u>
Excess (deficiency) of revenues over expenditures	(2,065,500)	(2,105,000)	(90,357)	2,014,643
Other financing sources:				
Proceeds from sale of assets	<u>-</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>
Net change in fund balance	(2,065,500)	(2,065,000)	(50,357)	2,014,643
Fund balance, beginning, as restated	<u>26,023,739</u>	<u>27,001,866</u>	<u>27,243,853</u>	<u>241,987</u>
Fund balance, ending	<u>\$23,958,239</u>	<u>\$24,936,866</u>	<u>\$27,193,496</u>	<u>\$ 2,256,630</u>



## **OTHER SUPPLEMENTARY INFORMATION**

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY  
Lafayette, Louisiana  
General Fund

Comparative Balance Sheet  
March 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Current:		
Cash and interest-bearing deposits	\$ 3,214,886	\$ 2,323,163
Investments	14,906,165	15,847,119
Rent receivable	1,396	28,000
Notes receivable	35,281	33,711
Mortgages receivable, net	561,614	532,143
Accrued interest receivable	370,928	358,698
Other receivables	320,304	22,793
Restricted cash	282,675	87,518
Property held for resale	592,202	710,265
Total current assets	<u>20,285,451</u>	<u>19,943,410</u>
Noncurrent:		
Mortgages receivable, net	3,418,650	3,427,253
Notes receivable	3,519,583	3,706,905
Total noncurrent assets	<u>6,938,233</u>	<u>7,134,158</u>
Total assets	<u>\$ 27,223,684</u>	<u>\$ 27,077,568</u>
LIABILITIES AND FUND BALANCES		
Current liabilities:		
Accounts payable	\$ 28,688	\$ 68,359
Security deposits payable	1,500	1,500
Total liabilities	<u>30,188</u>	<u>69,859</u>
Fund balances:		
Nonspendable-		
Property held for resale	592,202	710,265
Noncurrent notes receivables	3,519,583	3,706,905
Total nonspendable	4,111,785	4,417,170
Committed - First Time Homebuyer Program	4,262,939	4,046,914
Unassigned	18,818,772	18,543,625
Total fund balances	<u>27,193,496</u>	<u>27,007,709</u>
Total liabilities and fund balances	<u>\$ 27,223,684</u>	<u>\$ 27,077,568</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, 2020  
With Comparative Actual Balances for the Year Ended March 31, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)	2019 Actual
	Original	Final			
Revenues:					
Interest on mortgages receivable	\$ 150,000	\$ 150,000	\$ 183,555	\$ 33,555	\$ 184,933
Interest on interest-bearing deposits and investments	660,000	660,000	602,665	(57,335)	676,802
Interest on notes receivable	-	-	43,038	43,038	43,371
Realized loss on disposition of investments	-	-	(4,659)	(4,659)	(7,743)
Unrealized gain (loss) on investments	(500,000)	(300,000)	420,173	720,173	95,207
Rental income	80,000	72,000	96,732	24,732	113,420
Loan fees	3,000	3,000	2,096	(904)	5,757
Tax credit income	15,000	15,000	43,178	28,178	106,081
Total revenues	<u>408,000</u>	<u>600,000</u>	<u>1,386,778</u>	<u>786,778</u>	<u>1,217,828</u>
Expenditures:					
Current -					
General government:					
Accounting and auditing	50,000	50,000	35,580	14,420	37,435
Advertising	5,000	5,000	201	4,799	654
Conferences and meetings	15,000	15,000	973	14,027	3,656
Grant awards	15,000	15,000	-	15,000	83,997
Insurance	52,000	52,000	39,445	12,555	37,510
Investment expense	-	960,000	945,517	14,483	207,995
Legal fees	50,000	50,000	15,339	34,661	12,600
Maintenance	50,000	74,000	69,034	4,966	62,385
Miscellaneous	10,000	10,000	1,362	8,638	1,361
Office expenses	60,000	60,000	33,162	26,838	29,284
Payroll expenses	152,000	152,000	148,324	3,676	144,251
Professional fees	22,000	22,000	11,823	10,177	18,950
Rent	-	45,000	44,983	17	-
Uncollectible receivables	185,000	185,000	(2,999)	187,999	192,153
Utilities	7,500	10,000	7,855	2,145	2,273
Capital outlay	<u>1,800,000</u>	<u>1,000,000</u>	<u>126,536</u>	<u>873,464</u>	<u>552,156</u>
Total expenditures	<u>2,473,500</u>	<u>2,705,000</u>	<u>1,477,135</u>	<u>1,227,865</u>	<u>1,386,660</u>
Deficiency of revenues over expenditures	(2,065,500)	(2,105,000)	(90,357)	2,014,643	(168,832)
Other financing sources:					
Transfers in	<u>-</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(2,065,500)	(2,065,000)	(50,357)	2,014,643	(168,832)
Fund balance, beginning, as restated	<u>26,023,739</u>	<u>27,001,866</u>	<u>27,243,853</u>	<u>241,987</u>	<u>27,176,541</u>
Fund balance, ending	<u>\$ 23,958,239</u>	<u>\$ 24,936,866</u>	<u>\$ 27,193,496</u>	<u>\$ 2,256,630</u>	<u>\$ 27,007,709</u>

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

# KOLDER, SLAVEN & COMPANY, LLC

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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*

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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, 2020, 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 5, 2020.

### 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 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 weakness in internal control described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as item 2020-001 that we consider to be a material weakness.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Lafayette Public Trust Financing Authority's Response to Findings**

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 auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

## **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 5, 2020

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 -

**2020-001** 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.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY  
Lafayette, Louisiana

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

Part II. Prior Year Findings

A. Internal Control Finding -

**2019-001** 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 2020-001.

B. Compliance Finding -

**2019-002** Uninsured and Uncollateralized Deposits

Fiscal year finding initially occurred: 2019

CONDITION: The Authority had uninsured and uncollateralized bank balances as of the end of their fiscal year.

RECOMMENDATION: The Authority should coordinate with the appropriate financial institution to ensure any deposits in excess of federal deposit insurance are properly collateralized.

CURRENT STATUS: Resolved