



**Northwest Louisiana Finance Authority**  
(A Component Unit of the City of Shreveport)

**FINANCIAL STATEMENTS**

**December 31, 2023**

	<b>Page</b>
<b>REPORT</b>	
Independent Auditor’s Report.....	1
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matter Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....	4
<b>FINANCIAL STATEMENTS</b>	
Management’s Discussion and Analysis (Unaudited).....	6
Financial Statements	
Statement of Net Position.....	10
Statement of Revenues, Expenses and Changes in Net Position.....	11
Statement of Cash Flows.....	12
Notes to Financial Statements.....	13
Schedule of Findings and Questioned Costs.....	20



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## **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, 2023, 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 Authority as of December 31, 2023, 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.

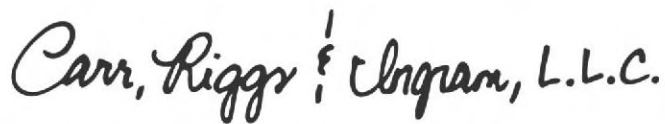
### ***Required Supplementary Information***

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 20, 2024, 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.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." in a cursive script.

**CARR, RIGGS & INGRAM, LLC**

Shreveport, Louisiana

June 20, 2024



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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, 2023, 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 20, 2024.

**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, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

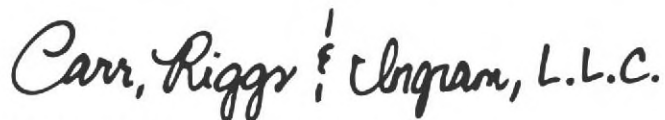
Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did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

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." in a cursive script.

**CARR, RIGGS & INGRAM, LLC**

Shreveport, Louisiana  
June 20, 2024

# Northwest Louisiana Finance Authority Management's Discussion and Analysis (Unaudited)

## 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, 2023. It should be read in conjunction with the accompanying financial statements of the Authority.

## Financial Highlights

The Authority's assets exceeded its liabilities by \$1,549,840 (net position) as of December 31, 2023, and the Authority's total net position decreased \$46,714 or 3% during 2023. 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 loss for the year ended December 31, 2023 was \$3,045, compared to a non-operating loss of \$116,787 for the year ended December 31, 2022, resulting in an overall change in net position of (\$46,714). This change is attributed to fair value adjustments made to 2003 Bonds in during 2023 resulting in a decrease in unrealized losses of \$113,742 in the year ended December 31, 2023.

## 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.



## Northwest Louisiana Finance Authority Management's Discussion and Analysis (Unaudited)

### **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

For the years ended December 31,	2023	2022	Change
<b>Assets</b>			
Current assets	\$ 1,522,791	\$ 1,495,338	\$ 27,453
Noncurrent assets	778,088	881,653	(103,565)
<b>Total assets</b>	<b>2,300,879</b>	<b>2,376,991</b>	<b>(76,112)</b>
<b>Liabilities</b>			
Current liabilities	111,963	81,832	30,131
Long-term liabilities	639,076	698,605	(59,529)
<b>Total Liabilities</b>	<b>751,039</b>	<b>780,437</b>	<b>(29,398)</b>
<b>Net position</b>			
Restricted	16,664	18,494	(1,830)
Unrestricted	1,533,176	1,578,060	(44,884)
<b>Total net position</b>	<b>\$ 1,549,840</b>	<b>\$ 1,596,554</b>	<b>\$ (46,714)</b>

## Northwest Louisiana Finance Authority Management's Discussion and Analysis (Unaudited)

The total assets of the Authority decreased by \$76,112 in the current year. This corresponds to the current year decrease in total liabilities of \$29,398 and decrease in net position of \$46,714. 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 \$1,549,840 at December 31, 2023. Of this amount, \$1,533,176 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 2023, the Authority's net position decreased by (\$46,714) or 2.9%, compared to a (\$100,424) decrease in net position in 2022 as shown in Table 2. This decrease in net position is due mainly to a decrease in non-operating losses of \$3,045 and increase in operating expenses of \$60,762.

Table 2: Operating Results and Changes in Net Position

For the years ended December 31,	2023	2022	Change
<b>Operating Revenues</b>			
Interest on mortgage-backed securities and note receivable	\$ 75,224	\$ 50,615	\$ 24,609
Other operating revenues	3,000	29,744	(26,744)
<b>Total operating revenues</b>	<b>78,224</b>	<b>80,359</b>	<b>(2,135)</b>
<b>Operating Expenses</b>			
Interest on bonds	34,960	37,825	(2,865)
Administrative expenses	86,933	26,171	60,762
<b>Total operating expenses</b>	<b>121,893</b>	<b>63,996</b>	<b>57,897</b>
<b>Operating (loss) profit</b>	<b>(43,669)</b>	<b>16,363</b>	<b>(60,032)</b>
<b>Nonoperating gain (loss)</b>	<b>(3,045)</b>	<b>(116,787)</b>	<b>113,742</b>
<b>Decrease in net position</b>	<b>(46,714)</b>	<b>(100,424)</b>	<b>53,710</b>
<b>Net position, beginning of year</b>	<b>1,596,554</b>	<b>1,696,978</b>	<b>(100,424)</b>
<b>Net position, end of year</b>	<b>\$ 1,549,840</b>	<b>\$ 1,596,554</b>	<b>\$ (46,714)</b>

## **Northwest Louisiana Finance Authority Management's Discussion and Analysis (Unaudited)**

### **Debt Administration**

During the year ended December 31, 2023, the Authority reduced its long-term debt by \$59,529. No new debt was issued in 2023.

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 liquidated 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.

**Northwest Louisiana Finance Authority**  
**Statement of Net Position**

December 31, 2023

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**Assets**

Current assets	
Cash and cash equivalents	\$ 1,519,857
Accrued interest receivable	2,934
Total current assets	1,522,791
Noncurrent assets	
Investments	778,088
Total assets	2,300,879

**Liabilities**

Current liabilities	
Current portion of bonds payable	75,732
Accrued expenses	5,623
Accounts payable	30,608
Total current liabilities	111,963
Bonds payable	639,076
Total liabilities	751,039

**Net Position**

Restricted for debt service	16,664
Unrestricted	1,533,176
Total net position	\$ 1,549,840

*See accompanying notes to the financial statements.*

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

<i>For the year ended December 31,</i>	<i>2023</i>
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<b>Operating revenues</b>	
Interest on mortgage-backed securities and note receivable	\$ 75,224
Other operating revenues	3,000
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Total operating revenues	78,224
<b>Operating expenses</b>	
Interest on bonds	34,960
Administrative expenses	86,933
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Total operating expenses	121,893
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Operating (loss) profit	(43,669)
<b>Nonoperating revenue</b>	
Unrealized investment gain (loss)	(3,045)
<hr/>	
Total nonoperating expenses	(3,045)
<hr/>	
Decrease in net position	(46,714)
Net position, beginning of year	1,596,554
Net position, end of year	\$ 1,549,840
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*See accompanying notes to the financial statements.*

**Northwest Louisiana Finance Authority**  
**Statement of Cash Flows**

*For the year ended December 31,*

2023

**Operating activities**

Interest payments received	\$	75,460
Principal payments received		60,333
Interest paid		(35,436)
Principal payments on bonds		(59,529)
Cash paid for administrative expenses		(56,325)
Other operating revenue		3,000

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Net cash used in operating activities		(12,497)
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**Investing activities**

Proceeds from maturities and sales of investments		64,721
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Net cash provided by investing activities		64,721
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Net increase in cash and cash equivalents		52,224
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Cash and cash equivalents, beginning of year		1,467,634
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Cash and cash equivalents, end of year	\$	1,519,857
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Reconciliation of operating loss to net cash used in operating activities

Operating loss	\$	(43,669)
Adjustments to reconcile operating loss to net cash used in operating activities		
Amortization of loan premium		(148)
Changes in operating assets and liabilities		
Accrued interest receivable		236
Accounts payable		30,608
Accrued expenses		477

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Net cash used in operating activities	\$	(12,497)
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**Schedule of Noncash Investing and Financing Activities**

Unrealized investment gain (loss)	\$	(3,045)
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*See accompanying notes to the financial statements.*

## Northwest Louisiana Finance Authority Notes to 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 Statutes 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 person 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 present 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.

## Northwest Louisiana Finance Authority Notes to 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 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, 2023, cash equivalents consisted primarily of money market accounts with brokers.



## Northwest Louisiana Finance Authority Notes to Financial Statements

### 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. Unrestricted net position is remaining assets that do not meet the definition of restricted for debt service.

#### ***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.

#### ***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 20, 2024 and determined there were no events that occurred that required disclosure.

## Northwest Louisiana Finance Authority Notes to Financial Statements

### 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, 2023, had a carrying amount of \$1,519,857 (book balance) in the business-type funds.

The Authority's bank balance of deposits at December 31, 2023, 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.

The investments with original maturities of three months or more are classified as investments. At December 31, 2023, the Authority held investments in FNMA and GNMA mortgage backed securities as seen in the following table.

The Authority's investment balance at December 31, 2023, consisted of the following:

Type	Fair Value	Maturities in Years				Level
		Less than 1	1 - 5	6 - 10	More than 10	
FNMA mortgage-backed securities	\$ 17,884	\$ -	\$ 17,884	\$ -	\$ -	2
GNMA mortgage-backed securities	41,274	-	41,274	-	-	2
GNMA mortgage loan receivables	718,930	-	-	-	718,930	2
	<u>\$ 778,088</u>	<u>\$ -</u>	<u>\$ 59,158</u>	<u>\$ -</u>	<u>\$ 718,930</u>	

#### *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.

## Northwest Louisiana Finance Authority Notes to Financial Statements

### Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

#### *Investments and Investment Income (Continued)*

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).
- 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, 2023, 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.

Investment income, including amounts earned on mortgage-backed securities and the note receivables for the year ended December 31, 2023, consists of:

Operating Revenues	
Interest on mortgage-backed securities and note receivable	\$ 75,224
Nonoperating expenses	
Unrealized investment gain (loss)	(3,045)
	\$ 72,180

**Northwest Louisiana Finance Authority**  
**Notes to Financial Statements**

**Note 3: DETAILED NOTES ON ALL FUNDS (Continued)**

***Bonds Payable***

Bonds payable at December 31, 2023, consisted of:

<i>December 31,</i>	<i>2023</i>
2003 Issue (Single Family) - Single Family Mortgage Revenue Bonds, 2003A (Redeemed) and 2003B dated August 1, 2003 - \$7,500,000 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).	\$ 714,808
Balances at December 31, 2023	714,808
Less current maturities	(75,732)
Noncurrent bond payable at December 31, 2023	\$ 639,076

A schedule of changes in long-term debt for the year ended December 31, 2023 is as follows:

Balances at January 1, 2023	\$ 774,337
Additions	-
Deletions - cash payments	(59,529)
Balances at December 31, 2023	\$ 714,808

Debt service requirements as of December 31, 2023 are as follows:

<i>Years Ending December 31,</i>	Total to be Paid	Principal	Interest
2024	\$ 121,123	\$ 75,732	\$ 45,391
2025	119,808	78,358	41,450
2026	100,532	63,240	37,292
2027	99,753	66,721	33,032
2028	99,776	70,393	29,383
Thereafter	451,912	360,364	91,548
	\$ 992,904	\$ 714,808	\$ 278,096

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.

## Northwest Louisiana Finance Authority Notes to Financial Statements

### **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 be 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 year ending December 31, 2023. H. Calvin Austin did not receive any compensation, benefits or other payments during this time period.

### **Note 5: RISK AND UNCERTAINTIES**

As a result of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact financial resources. While the duration on the economic impact is expected to be temporary, there is considerable uncertainty around the duration. The related financial impact and duration cannot be reasonably estimated at this time.

## **Northwest Louisiana Finance Authority Schedule of Findings and Questioned Costs**

### **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.