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General Purpose Financial Statements and  
Independent Auditors' Report

CALCASIEU PARISH PUBLIC  
TRUST AUTHORITY

May 31, 1989 and 1988

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or clerk, of each entity and other appropriate public officials. This report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date DEC 5 1989

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# Langley, Williams & Company, L.L.C.

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CHIEF, LAKE CHARLES  
OFFICE OF LAKE CHARLES

## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees  
Calcasieu Parish Public Trust Authority  
Lake Charles, Louisiana

We have audited the accompanying combined balance sheets of the Calcasieu Parish Public Trust Authority, a component unit of the Calcasieu Parish Police Jury, as of May 31, 1999 and 1998, and the related combined statements of revenues and expenses, fund equity, and cash flows for the years then ended. These general purpose financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Calcasieu Parish Public Trust Authority as of May 31, 1999 and 1998, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the combined general purpose financial statements taken as a whole. The supplementary information included on pages 12 through 19 is presented for purposes of additional analysis and is not a required part of the combined general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audits of the combined general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined general purpose financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued our report dated November 11, 1999 on our consideration of Calcasieu Parish Public Trust Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations, contracts, and grants.

*Langley, Williams & Co., LLC*

November 11, 1999

**Calcasieu Parish Public Trust Authority**

**COMBINED BALANCE SHEETS**

*May 31, 1999 and 1998*

**ASSETS**

	<u>1999</u>	<u>1998</u>
Cash and cash equivalents	\$ 1,360,662	\$ 5,499,411
Investment securities	19,348,132	30,357,458
Mortgage-backed securities, net of deferred income of \$14,856 and \$17,133, and discounts of \$4,385 and \$4,261 in 1999 and 1998, respectively	6,710,583	6,590,283
Mortgage loans receivable	9,440,041	12,543,523
Accounts receivable	12,000	6,524
Accrued interest receivable	156,910	326,569
Deferred financing costs, net of accumulated amortization of \$1,374,135 and \$1,074,841 in 1999 and 1998, respectively	513,434	815,528
Other assets	-	834
Furniture, fixtures, and equipment, net of accumulated depreciation of \$7,504 and \$5,708 in 1999 and 1998, respectively	<u>1,476</u>	<u>3,273</u>
<b>Total Assets</b>	<b><u>\$ 28,085,542</u></b>	<b><u>\$ 53,182,286</u></b>

**LIABILITIES**

Accounts payable	\$ 27,837	\$ 59,516
Accrued interest payable	668,037	857,291
Mortgage revenue bonds payable	<u>33,388,568</u>	<u>52,365,637</u>
<b>Total Liabilities</b>	<b><u>34,084,442</u></b>	<b><u>53,282,444</u></b>

**FUND EQUITY**

Reserved fund equity	3,017,456	3,073,173
Unreserved fund equity	<u>977,639</u>	<u>980,591</u>
<b>Total Fund Equity</b>	<b><u>3,995,115</u></b>	<b><u>3,973,764</u></b>
<b>Total Liabilities and Fund Equity</b>	<b><u>\$ 28,085,542</u></b>	<b><u>\$ 53,182,286</u></b>

See notes to combined financial statements.

**Caledon Parish Public Trust Authority**

**COMBINED STATEMENTS OF REVENUES AND EXPENSES**

Years Ended May 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
<b>REVENUES</b>		
Interest Income:		
Investment securities	\$ 1,299,664	\$ 1,438,463
Mortgage-backed securities	876,263	681,834
Mortgage loans receivable	1,031,483	1,389,890
Gain on disposal of fixed/land assets	<u>14,178</u>	<u>20,216</u>
	2,821,588	3,460,397
<b>EXPENSES</b>		
Interest Expense		
Bond interest	<u>2,714,764</u>	<u>2,729,032</u>
<b>Net Interest Income</b>	<b>506,824</b>	<b>731,365</b>
<b>Operating Income</b>		
Servicing fees	32,683	34,197
Rebate	8,314	-
Mortgage credit certificate program revenues	-	2,800
Participation fees	<u>2,800</u>	<u>-</u>
	43,797	36,997
<b>Operating Expenses</b>		
Mortgage servicing fees	48,900	63,372
Mortgage insurance	12,853	35,576
Amortization of deferred charges	268,891	134,318
Amortization of premiums	-	31
Legal fees	15,800	-
Accounting and auditing fees	28,600	18,300
Trustee and paying agent fees	33,879	41,853
Administrative expenses	76,483	31,899
Depreciation expense	1,796	1,559
Consulting fees	18,900	-
Grants	<u>-</u>	<u>5,288</u>
	<u>529,422</u>	<u>381,868</u>
<b>Net Revenues over Expenses</b>	<b>\$ 21,351</b>	<b>\$ 287,262</b>

See notes to combined financial statements.

Calcasieu Parish Public Trust Authority

COMBINED STATEMENTS OF FUND EQUITY

Years Ended May 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
<b>Retained Earnings:</b>		
Balance at beginning of year	\$ 1,316,348	\$ 918,866
Residual capital transfers	259,493	-
Net income	<u>23,251</u>	<u>587,282</u>
Balance at end of year	1,599,092	1,316,348
<b>Additional Paid-in Capital</b>		
Balance at beginning of year	2,657,616	2,657,616
Residual capital transfers	<u>( 259,493)</u>	<u>-</u>
Balance at end of year	<u>2,398,123</u>	<u>2,657,616</u>
<b>Total Fund Equity</b>	<b>3,997,215</b>	<b>3,973,964</b>
Fund equity reserved under provisions of bond indentures	<u>(3,817,460)</u>	<u>(3,623,133)</u>
<b>FUND EQUITY, unreserved</b>	<b>\$ <u>179,755</u></b>	<b>\$ <u>350,831</u></b>

See notes to combined financial statements.

**Calumet Parish Public Trust Authority**  
**CONDENSED STATEMENTS OF CASH FLOWS**

Years Ended May 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
<b>Cash flows from operating activities:</b>		
Net Income	\$ 21,159	\$ 967,283
Adjustments to reconcile to net cash provided by operating activities:		
Amortization, net of accretion	248,391	36,803
Depreciation expense	1,786	1,339
Gain on disposal of fixed assets	( 14,178)	( 20,200)
Net changes in:		
Accounts receivable	( 5,560)	5,079
Accrued interest receivable	169,438	( 131,099)
Other assets	834	73
Accounts payable	( 27,678)	13,948
Accrued interest payable	( 199,152)	20,624
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>345,868</u>	<u>823,745</u>
<b>Cash flows from financing activities:</b>		
Proceeds from bond sales	-	16,877,234
Principal payments on bonds	(17,812,879)	( 6,889,994)
Bond issue costs	-	( 288,312)
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<u>(17,812,879)</u>	<u>18,898,928</u>
<b>Cash flows from investing activities:</b>		
Mortgage loans receivable, net	2,665,871	2,648,968
Proceeds from sales of fixed assets	48,732	24,782
Proceeds of investment income, investments	57,917,845	1,658,872
Purchases of investment securities	(26,321,726)	(27,418,266)
Purchase of fixed assets	-	( 1,833)
Proceeds from mortgage-backed securities securities	365,966	-
Purchases of mortgage-backed securities	( 566,284)	( 6,126,180)
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	<u>14,647,654</u>	<u>(1,184,727)</u>
<b>Net increase (decrease) in cash and cash equivalents, beginning of year</b>	<u>( 4,138,448)</u>	<u>3,411,239</u>
<b>Cash and cash equivalents, beginning of year</b>	<u>5,499,893</u>	<u>1,979,881</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 1,361,445</u>	<u>\$ 5,391,120</u>

*Supplemental Disclosure:* Cash paid for bond interest was \$2,963,799 and \$3,497,408 in 1999 and 1998, respectively.  
*Retired Investments:* Bond states acquired from investments was \$47,883 and \$- in 1999 and 1998, respectively.

See notes to condensed financial statements.

## **Calcasieu Parish Public Trust Authority**

### **NOTES TO COMBINED FINANCIAL STATEMENTS**

*May 31, 1999 and 1998*

#### **1. Organization:**

The Calcasieu Parish Public Trust Authority was created through a trust indenture dated May 14, 1979, pursuant to provisions of Chapter 2-A of Title 5 of the Louisiana Revised Statutes of 1950, as amended. The Authority is a legal entity separate and apart from the parish government, although the parish government is the ultimate beneficiary of all residents of the trust estate. The initial legislation and subsequent amendments grant the Authority the right to obtain resources to promote the financing and development of any essential programs conducted in the public's interest within the boundaries of Calcasieu Parish, Louisiana. The Authority's primary activities involve the issuance of bonds to obtain resources for the purpose of assisting in the financing of housing needs for persons of low and moderate incomes in Calcasieu Parish.

The bonds are solely the obligations of the Authority and are payable from revenues derived from mortgage loans, mortgage-backed securities and investments acquired pursuant to the indentures to which such bonds relate. The bonds are not obligations of Calcasieu Parish or any other governmental entity.

The Authority is managed by a Board of Trustees empowered to contract with outside parties to conduct the operations of the various programs. The Authority also contracts with national banking institutions to serve as trustee for each of its bond programs or as its custodial bank for the Authority's unrestricted resources.

The financial statements of the individual bond funds are presented on a combined basis. All interfund transactions have been eliminated. The Authority maintains a separate self-balancing set of books (a fund) for each bond program and an operating fund to account for its unrestricted assets. The assets of each individual bond fund are restricted under the related bond indentures. Accordingly, the combined totals on the financial statements are not intended to indicate that the combined assets are available for any purpose due to the contractual restrictions imposed on certain assets and the income derived therefrom. Additionally, the combined totals do not present consolidated financial information. Included in the total are unrestricted assets that are available to the Authority for its unrestricted use.

#### **2. Summary of Significant Accounting Policies:**

##### **Basis of Accounting and Financial Reporting**

As the governing authority of the parish, for reporting purposes, the Calcasieu Parish Police Jury is the financial reporting entity for Calcasieu Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.



Calcasieu Parish Public Trust Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

May 31, 1999 and 1998

2. Summary of Significant Accounting Policies: (Continued)

**Tests of Accounting and Financial Reporting - (Continued)**

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Calcasieu Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the police jury to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury financial statements would be misleading if data of the organization was not included because of the nature or significance of the relationship, the Calcasieu Parish Public Trust Authority was determined to be a component unit of the Calcasieu Parish Police Jury, the financial reporting entity. The accompanying general purpose financial statements present information only on the funds maintained by the Calcasieu Parish Public Trust Authority and do not present information on the police jury, the general government services provided by that government unit, or the other governmental units that comprise the financial reporting entity.

The Authority's financial statements are presented in accordance with generally accepted accounting principles adopted by the Governmental Accounting Standards Board (GASB) as applicable to all state and local governments.

**Caldesian Parish Public Trust Authority**

**NOTES TO COMBINED FINANCIAL STATEMENTS**

**May 31, 1999 and 1998**

**1. Summary of Significant Accounting Policies: (Continued)**

**Prudence of Estimates**

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

**Cash and Cash Equivalents**

Cash and cash equivalents are stated at cost which approximates fair market value. For financial statement purposes, the Authority considers cash, demand deposits, certificates of deposit and debt instruments purchased with an original maturity of three months or less to be cash equivalents.

**Investment Securities**

Bonds and notes are carried at cost, adjusted for premiums and discounts that are recognized in interest income using the interest method over the period to maturity. The Board intends to hold such investments to maturity. Gains and losses on the sale of investments are determined using the specific identification method.

**Mortgage-Backed Securities**

Mortgage-backed securities are stated at cost, adjusted for amortization of premiums and accretion of fees and discounts using a method that approximates level yields. These securities are issued by the Government National Mortgage Association (GNMA) or the Federal National Mortgage Association (FNMA). Such securities are backed by mortgage loans originated in Calcasieu Parish, Louisiana. Monthly payments of principal and interest are passed through to the Authority to finance debt service payments and other administrative costs. The Authority has adequate liquidity and capital, and it is generally the Board's intention to hold such assets to maturity. Should any be sold, gains and losses will be recognized based on the specific identification method.

**Catawba Parish Public Trust Authority**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**

May 31, 1999 and 1998

**2. Summary of Significant Accounting Policies (Continued)**

**Mortgage Loans Receivable**

Mortgage loans receivable are stated at unpaid principal balances, less the deferred premium received for its commitment to purchase the loans. The deferred premium are amortized over the life of the loan and recognized as a component of interest income. In the event of an extraordinary mandatory redemption of the bonds due to reorigination of mortgage loans, the entire unamortized balance is recognized as commitment fee income.

The allowance for loan losses is increased by changes to income and reserves and decreased by charge-offs. Management's periodic evaluation of the adequacy of the allowance is based on the Authority's past loan loss experience, current economic conditions, insurance protection provided against possible loan losses and any other factors which require consideration in estimating such losses.

**Real Estate Acquired Through Foreclosures**

Real estate properties acquired through loan foreclosure are initially recorded at the unpaid principal balance of the loan. Costs relating to improving the property are capitalized. This real estate must be restored to its original condition, normal wear and tear expected, before the mortgage insurance coverage applies.

**Deferred Financing Costs**

The cost of issuing mortgage revenue bonds are deferred and amortized over the life of the bonds as a financing expense. In the event all remaining bonds outstanding under a particular issue are retired, the unamortized balance is recognized as a component of the loss from the early extinguishment of debt.

**Bond Discounts**

Original issue discounts realized upon issuance of bonds are deferred and presented as a reduction of the face amount of bonds payable on the balance sheet. The deferred amount is amortized over the life of the bonds as a component of interest expense. In the event all remaining bonds outstanding under a particular issue are retired, the unamortized balance is recognized as a component of the loss from the early extinguishment of debt.

Calcasieu Parish Public Trust Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

May 31, 1999 and 1998

2. Summary of Significant Accounting Policies: (Continued)

**Income Taxes**

The Authority is exempt from federal and state income taxes.

3. Cash and Cash Equivalents:

The Authority had cash and cash equivalents totaling \$1,368,862 and \$3,499,611 at May 31, 1999 and 1998, respectively. The FDIC insured cash and cash equivalents in the amount of \$494,272 and \$836,617 at May 31, 1999 and 1998, respectively. The remaining balance was uninsured and uncollateralized. Uncollateralized deposits include balances that are collateralized with securities held by the pledging financial institution, as its trust depository or agent, but not in the Authority's name. Under Louisiana Revised Statutes, there are no specific requirements regarding investment of idle funds or collateralization of deposits applicable to public trusts.

4. Investment Securities:

The permissible types of investments under the various bond programs are governed by the underlying bond indentures. Under Louisiana Revised Statutes, there are no specific requirements regarding permissible investments of a public trust. The Authority's investments are categorized below to give an indication of the level of risk assumed by the Authority at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the Authority or its agent in the Authority's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the Authority's name. Category 3 includes uninsured and unregistered investments which are uninsured. Uninsured investments include securities held for the Authority but not in its name.

**Calcasieu Parish Public Trust Authority**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**

*May 31, 1999 and 1998*

**4. Investment Securities (Continued)**

*May 31, 1999*

	<u>Category</u> <u>3</u>	<u>Carrying</u> <u>Value</u>	<u>Market</u> <u>Value</u>
U.S. Treasury Bonds	\$ 581,313	\$ 581,313	\$ 581,716
Investment Agreements	<u>18,766,819</u>	<u>18,766,819</u>	<u>18,766,819</u>
<b>Totals</b>	<b><u>\$ 19,348,132</u></b>	<b><u>\$ 19,348,132</u></b>	<b><u>\$ 19,348,549</u></b>

*May 31, 1998*

	<u>Category</u> <u>3</u>	<u>Carrying</u> <u>Value</u>	<u>Market</u> <u>Value</u>
U.S. Treasury Bonds	\$ 538,633	\$ 538,633	\$ 538,999
Investment Agreements	<u>29,806,817</u>	<u>29,806,817</u>	<u>29,806,817</u>
<b>Totals</b>	<b><u>\$ 30,345,450</u></b>	<b><u>\$ 30,345,450</u></b>	<b><u>\$ 30,345,816</u></b>

The amortized cost and approximate market value of investment securities are:

*May 31, 1999*

	<u>Amortized</u> <u>Cost</u>	<u>Unrealized</u> <u>Gain/(Loss)</u>	<u>Market</u> <u>Value</u>
U.S. Treasury Bonds	\$ 581,313	\$ 413	\$ 581,726
Investment Agreements	<u>18,766,819</u>	<u>-</u>	<u>18,766,819</u>
	<b><u>\$ 19,348,132</u></b>	<b><u>\$ 413</u></b>	<b><u>\$ 19,348,545</u></b>

**Columbia Parish Public Trust Authority**

**NOTES TO COMBINED FINANCIAL STATEMENTS**

May 31, 1999 and 1998

**4. Investment Securities (Continued)**

May 31, 1998	<u>Amortized Cost</u>	<u>Unrealized Gain/(Loss)</u>	<u>Market Value</u>
U. S. Treasury Bonds Investment Agreements	\$ 550,635 <u>25,806,817</u>	\$ 2,766 <u>—</u>	\$ 558,399 <u>25,806,817</u>
	<u>\$26,357,452</u>	<u>\$ 2,766</u>	<u>\$26,365,218</u>

The investment agreements are between the Authority and Berkshire Hathaway, Inc. The agreements contain provisions that stipulate in the event Berkshire Hathaway's senior unsecured long-term debt rating by Moody's Investors Service, Inc., falls below Aa2 for the 1991 Series A Agreement or A3 for the 1992 Series B and 1998 Series A Agreement, the Authority shall have the right to withdraw the investment unless Berkshire Hathaway, Inc., enters into and collateralizes an investment agreement in repurchase format which is in a form and content satisfactory to all parties. The collateral shall be comprised of U.S. Treasury or agency obligations and subject to other conditions as specified in the Agreements. These investments mature after 10 years.

**5. Mortgage-Backed Securities**

The GNMA and FNMA mortgage-backed securities have interest rates ranging from 7.00% to 8.375%. These securities are carried on the balance sheet net of deferred revenues in the amount of \$14,536 and \$17,353 and discounts of \$4,285 and \$4,284 at May 31, 1999 and 1998, respectively. Monthly principal and interest payments from the GNMA and FNMA mortgage-backed securities are guaranteed by GNMA and FNMA. GNMA payments flow through to the holders of the 1989 Series A and 1988 Series A and B Mortgage Revenue Bonds. FNMA payments flow through to the holders of the 1993 Series A Mortgage Revenue Bonds.

May 31, 1999	<u>Amortized Cost</u>	<u>Unrealized Gain/(Loss)</u>	<u>Market Value</u>
GNMA Mortgage-backed Securities	\$ 6,151,816	\$ 178,902	\$ 6,322,318
FNMA Mortgage-backed Securities	<u>388,267</u>	<u>( 5,352)</u>	<u>392,210</u>
	<u>\$ 6,540,083</u>	<u>\$ 163,550</u>	<u>\$ 6,691,528</u>

Catonsville Parish Public Trust Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

May 31, 1999 and 1998

5. Mortgage-Backed Securities (Continued)

May 31, 1998

	<u>Amortized Cost</u>	<u>Unrealized Gain (Loss)</u>	<u>Market Value</u>
GNMA Mortgage-backed Securities	\$ 5,942,890	\$ 299,210	\$ 6,242,100
FNMA Mortgage-backed Securities	<u>607,405</u>	<u>2,148</u>	<u>609,553</u>
	<u>\$ 6,550,295</u>	<u>\$ 301,358</u>	<u>\$ 6,851,648</u>

These investments mature after 10 years.

6. Mortgage Loans Receivable

Mortgage loans are pledged as security on the Mortgage Revenue Refunding Bonds as follows:

	<u>May 31, 1999</u>	<u>May 31, 1998</u>
1991 Series A	\$ 7,360,971	\$ 8,344,341
1992 Series B	2,402,854	2,957,938
Operating Fund	<u>176,926</u>	<u>240,244</u>
	<u>\$ 9,940,751</u>	<u>\$ 11,542,523</u>

Colosine Parish Public Trust Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

May 31, 1998 and 1998

**7. Mortgage Revenue Bonds Payable**

Mortgage revenue bonds outstanding are as follows:

	May 31, 1997	May 31, 1998
<b>1988 Series (B)</b>		
Current interest bonds, dated December 1, 1988, with a scheduled maturity on June 1, 2012, bearing interest at 8.25% payable monthly	-	3,562,786
<b>1989 Series (A)</b>		
Current interest bonds, dated December 1, 1989, with a scheduled maturity on June 1, 2011, bearing interest at 7.89% payable monthly	1,085,180	1,220,718
<b>1991 Series (A)</b>		
Current interest bonds, dated May 1, 1991 due June 1, 2012 with scheduled mandatory redemptions, bearing interest at 7.75% payable semiannually on June 1 and December 1	7,635,000	10,480,000
Current interest bonds, dated May 1, 1991 due December 1, 2012 with scheduled mandatory redemptions, bearing interest at 7.75% payable semiannually on June 1 and December 1	4,375,000	4,375,000
<b>1992 Series (B)</b>		
Current interest bonds, dated December 1, 1992 due November 1, 2002 with scheduled mandatory redemptions, bearing interest at 6.125% payable semiannually on May 1 and November 1	365,000	680,000



**Culiacan Parish Public Trust Authority**

**NOTES TO COMBINED FINANCIAL STATEMENTS**

May 31, 1999 and 1998

**7. Mortgage Revenue Bonds Payable: (Continued)**

	May 31, 1999	May 31, 1998
<b>1992 Series B:</b>		
Current interest bonds, dated December 1, 1992, due November 1, 2012 with scheduled mandatory redemptions, bearing interest at 6.875% payable semiannually on May 1 and November 1	2,318,000	2,520,000
Corporate interest bonds, dated December 1, 1992, due May 1, 2013 bearing interest of 7.250% payable at maturity	333,791	310,826
<b>1997 Series A:</b>		
Fixed rate bonds, dated April 1, 1997, due April 1, 2032 bearing interest of 6.40% payable semiannually on October 1, and April 1	960,000	8,250,000
Convertible option bonds, dated April 1, 1997, due April 1, 2032 bearing interest of 4.25% payable semiannually on October 1 and April 1	960,000	6,250,000
<b>1998 Series A:</b>		
Fixed rate bonds, dated April 1, 1998, due April 1, 2042 bearing interest of 5.35% payable semiannually on October 1, and April 1	4,894,148	4,894,148
Fixed rate bonds, dated April 1, 1998, due April 1, 2024 bearing interest of 4.35% payable semiannually On October 1, and April 1	1,940,168	1,940,168
Fixed rate bonds, dated April 1, 1998, due April 1, 2052 bearing interest of 6.00% payable semiannually on October 1, and April 1	1,362,420	1,362,420

Calcasieu Parish Public Trust Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

May 31, 1999 and 1998

3. Mortgage Revenue Bonds Payable (Continued)

	May 31, 1999	May 31, 1998
<b>1998 Series B:</b>		
Fixed rate bonds, dated April 1, 1998, due April 1, 2003 bearing interest at 6.25% payable semiannually on October 1, and April 1	<u>-</u>	<u>489,629</u>
	<b>\$ 23,794,360</b>	<b>\$ 11,208,637</b>

Debt covenants and sinking fund requirements during each of the five years ended May 31, 2000 through May 31, 2004 are as follows:

Ending May 31,	Principal	Interest	Total
2000	\$ 2,553,340	\$ 2,316,646	\$ 4,869,986
2001	2,072,453	2,178,163	4,250,616
2002	1,829,865	2,037,229	3,867,094
2003	1,862,942	1,818,474	3,681,416
2004	2,000,598	1,767,990	3,768,587

The 1989 Series A bonds are subject to optional redemption after December 1, 2000 at a redemption price equal to 100% of the principal amount called for redemption. The early call premium is reduced 1% on each subsequent December 1 to a redemption price of 100% of the principal amount so called.

The 1991 Series A bonds are subject to redemption at par on certain dates prior to their stated maturities when prepayments of the mortgage loans on deposit in certain redemption accounts equal \$25,000 or more. The bonds maturing on June 1, 2012 and December 1, 2012 are subject to redemption on or after June 1, 2001, at the option of the Authority, at any time from available monies at a redemption price equal to 100% of the principal amount called for redemption. The early call premium is reduced 1% on each subsequent June 1 to a redemption price of 100% of the principal amount so called.

Calverton Parish Public Trust Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

May 31, 1999 and 1998

7. Mortgage Revenue Bonds Payable: (Continued)

The 1992 Series B bonds are subject to redemption at par on certain dates prior to their stated maturities when prepayments of the mortgage loans on deposit in certain redemption accounts equal \$25,000 or more. The current interest bonds maturing on November 1, 2012, and the compound interest bonds are subject to redemption on or after November 1, 2002, at the option of the Authority, at any time from available monies at a redemption price equal to 100% of the principal amount called for redemptions. The early call premium is reduced 1% on each subsequent November 1 to a redemption price of 100% of the principal amount so called.

The Series 1997 A bonds are subject to redemption at par at certain dates prior to their stated maturities when prepayments of the mortgage loans are deposited in certain redemption accounts equal to \$5,000 or more. The Fixed Rate Bonds bear a stated annual interest of 6.44%. The Convertible Option Bonds bear an annual interest of 4.375% until the remarketing date of July 1, 1998 at which time the interest rate shall be the rate for a 90-day ten-coupon commercial paper published that day or 60% of the bond equivalent rate for a 91-day United States Treasury Bill. The Bonds are subject to redemption on or after April 1, 2000, at the option of the Authority, at any time from available monies at a redemption price equal to 100% of the principal amount called for redemptions. The early call premium is reduced by 1% on each subsequent April 1 to a redemption price of 100% of the principal amount so called.

The 1998 Series A bonds are subject to redemption at par at certain dates prior to their stated maturities when prepayments of the mortgage bonds on deposit in certain redemption accounts equal to \$5,000 or more. The bonds bear stated annual interest ranging from 4.75% to 5.10%. The bonds are subject to redemption, at the option and direction of the Authority, on or after April 1, 2000, at anytime from available monies at redemption prices equal to 105% of the principal amount called for redemptions on the 2002 bonds and 102% of the principal amount called for redemptions on the 2102 and 2024 bonds. The 1998 Series B bonds are subject to mandatory redemption on any interest payment date in the event and to the extent principal payments from the CDOs accounts become available.

Calcasieu Parish Public Trust Authority

NOTES TO COMBINED FINANCIAL STATEMENTS

May 31, 1998 and 1997

8. Industrial Development Revenue Bonds Payable:

The industrial development revenue bond issues include a covenant which provides that the bonds are payable solely from payments made by the lessee or owner of the project financed by the bond proceeds. The Authority is under no obligation to pay the bonds from any other source. In accordance with industry standards, the debt and related capital leases are not recorded in the financial statements. The projects and related balances of the debt are as follows:

	May 31, 1998	May 31, 1997
1984 Series (Hatch Oil of Louisiana, Inc.)	\$ -	\$ 482,996
1988 Series ( Labate & Casley, Ltd., CPA Project)	-	17,454
1994 Series (FPG Industries, Inc. Project)	7,300,000	7,300,000
1997 Series A (WPT Corporation Project)	10,889,000	10,889,000
	<u>\$ 18,189,000</u>	<u>\$ 18,689,450</u>

9. Related Party Transactions:

The members of the Authority's Board of Trustees receive a per diem payment for each meeting attended and are reimbursed for actual expenses incurred in their capacity as trustees of the Authority. The following payments were made to the members of the Board of Trustees for per diem as follows:

	May 31, 1998	May 31, 1997
Francis Bellera	\$ 450	\$ 500
Herman Bush	500	600
Tim Caste	550	350
Robert Gidyczinski	350	450
Alvin D. Houston	250	350
Mildred Keaton	-	100
Robert Jones	550	600
John Nash	600	600
Stanley Nichols	600	500
Allen Singletary	-	100
Alvin Stevens	550	450
A. Winkle	<u>150</u>	<u>-</u>
	<u>\$ 4,450</u>	<u>\$ 4,550</u>

**Calcasieu Parish Public Trust Authority**

**NOTES TO COMBINED FINANCIAL STATEMENTS**

**May 31, 1999 and 1998**

**10. Commitments:**

During the fiscal year ended May 31, 1999, the Authority pledged a total of \$125,000 to two nonprofit organizations, payable over a three year period, contingent on the availability of surplus funds. As of May 31, 1999 and 1998, the unfulfilled portion of these two pledges was \$60,000 and \$60,000, respectively. These donations are to be used to facilitate the revitalization of the existing housing in depressed areas of Calcasieu Parish and financing the portions of closing costs associated with the acquisition of housing by underprivileged families in Calcasieu Parish.

**11. Mortgage Credit Certificate Program, Series 1995:**

The Calcasieu Parish Public Trust Authority has received a total allocation from the State of Louisiana of \$5,000,000 to conduct a single-family mortgage program for the residents of Calcasieu Parish. The Authority has elected to exchange its bond authority allocation for authority to issue Mortgage Credit Certificates (MCCs) pursuant to its Mortgage Credit Certificate Program, Series 1995 and subject to the terms of the Mortgage Credit Certificate Participation Agreement dated January 1, 1995. An MCC is an instrument designed to assist persons of low to moderate income to better afford individual ownership of housing. The procedures for issuing MCCs were established by Congress as an alternative to the issuance of single-family mortgage revenue bonds. MCCs are issued directly to eligible homeowners who are then able to take an annual tax credit equal to the specified percentage (2.5% for this program) of the interest paid on their mortgages up to \$2,000. There was no MCC activity for the years ended May 31, 1999 and 1998.

## SUPPLEMENTAL INFORMATION

**Caldwell Parish Public Trust Authority**

**COMBINED BALANCE SHEETS**

May 31, 1999

	1997 A. Bond Fund	1998 B. Bond Fund	1999 A. Bond Fund
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ -	\$ 8,375
Investment securities	-	-	-
Mortgage-backed securities, net of deferred income of \$17,135 and discounts of \$4,264	-	-	1,024,844
Mortgage loans receivable	-	-	-
Accounts receivable	-	-	-
Accrued interest receivable	-	-	6,968
Deferred financing costs, net of accumulated amortization of \$1,004,843	-	-	34,504
Other assets	-	-	-
Furniture, fixtures, and equipment, net of accumulated depreciation of \$3,273	-	-	-
Due from other funds	-	-	-
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,054,691</b>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ 134
Accrued interest payable	-	-	1,242
Mortgage revenue bonds payable	-	-	1,053,315
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>1,054,691</b>
<b>FUND EQUITY</b>			
Retained earnings (deficit)	-	-	( 2,756)
Additional paid-in capital	-	-	-
<b>Total Fund Equity</b>	<b>-</b>	<b>-</b>	<b>( 2,756)</b>
<b>Total Liabilities and Equity</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,054,691</b>

1991 A. Bond Fund	1992 B. Bond Fund	1993 A. Bond Fund	1998 A.B. Bond Fund	Opening Fund	Combined Totals
\$ 981,406 6,627,838	\$ 169,332 421,388	\$ 68,630 48,133	\$ 87,688 10,668,658	\$ 115,847 581,212	\$ 1,360,963 18,348,132
-	-	1,073,691	4,552,648	-	6,750,583
7,380,971	2,403,854	-	-	276,988	9,348,011
-	-	-	-	32,848	12,080
61,641	7,588	2,572	68,345	9,905	158,930
140,668	58,864	18,270	283,756	-	515,434
-	-	-	-	-	-
-	-	-	-	1,478	1,478
( 12,843)	4,828	( 5,348)	-	21,764	-
\$ 15,005,072	\$ 3,663,852	\$ 1,308,527	\$ 16,668,575	\$ 581,431	\$ 38,885,549
\$ 30,418 485,188 12,000,000	\$ 3,410 14,994 3,681,750	\$ 38 58,840 1,038,080	\$ 53 147,285 16,185,387	\$ 3,772 - -	\$ 35,807 808,007 33,599,580
32,088,896	3,683,218	1,088,896	16,342,988	3,772	34,998,694
1,733,822	( 21,362)	( 52,239)	30,650	( 131,107)	1,598,982
789,349	52,958	208,080	747,030	1,188,762	2,398,121
2,523,267	31,634	147,661	577,678	977,659	3,975,115
\$ 15,005,072	\$ 3,663,852	\$ 1,308,527	\$ 16,668,575	\$ 581,431	\$ 38,885,549



**Cajaluma Parish Public Trust Authority**

**COMBINING STATEMENTS OF REVENUES AND EXPENSES**

Year Ended May 31, 1999

	<b>1987 A</b> <b>Bond Fund</b>	<b>1988 B</b> <b>Bond Fund</b>	<b>1989 A</b> <b>Bond Fund</b>
<b>REVENUES</b>			
<b>Interest Income:</b>			
Investment securities	\$ 99	\$ -	\$ 540
Mortgage-backed securities	-	-	(90,621)
Mortgage loans receivable	-	134	-
Gain on disposal of foreclosed assets	<u>99</u>	<u>134</u>	<u>80,962</u>
<b>Interest Expense</b>			
Bond interest	<u>-</u>	<u>-</u>	<u>90,567</u>
<b>Net Interest Income</b>	<b>99</b>	<b>134</b>	<b>( 2,885)</b>
<b>Operating Income</b>			
Servicing fees	-	-	-
Rebate	-	-	-
Participation fees	<u>-</u>	<u>-</u>	<u>-</u>
<b>Operating Expenses</b>			
Mortgage servicing fees	-	-	690
Mortgage insurance	-	-	-
Amortization of deferred charges	-	38,248	2,868
Legal fees	-	-	-
Accounting and auditing fees	-	-	-
Trustee and paying agent fees	-	-	517
Administrative expenses	-	-	-
Depreciation expenses	-	-	-
Consulting fees	<u>5,000</u>	<u>5,000</u>	<u>-</u>
	<u>5,000</u>	<u>43,248</u>	<u>3,585</u>
<b>Net Revenues over (under) Expenses</b>	<b>\$ 4,299</b>	<b>\$ (42,114)</b>	<b>\$ ( 6,570)</b>

<u>1991 A</u> <u>Bond Fund</u>	<u>1992 B</u> <u>Bond Fund</u>	<u>1993</u> <u>Bond Fund</u>	<u>1995 A/B</u> <u>Bond Fund</u>	<u>Operating</u> <u>Fund</u>	<u>Combined</u> <u>Totals</u>
\$ 908,452	\$ 29,438	\$ 181,995	\$ 626,609	\$ 48,730	\$ 1,299,664
-	-	39,434	346,218	-	476,160
794,786	218,415	-	-	18,157	1,031,483
<u>14,178</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,178</u>
1,308,416	247,853	141,419	972,827	58,887	2,821,588
 988,258	 225,640	 125,928	 881,394	 -	 2,214,768
310,443	22,213	15,491	91,433	58,887	506,824
 -	 -	 -	 -	 32,685	 32,685
-	-	-	-	5,214	5,214
<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>
-	-	-	2,000	41,999	43,999
 34,431	 12,640	 -	 -	 1,029	 48,000
8,637	3,113	-	-	383	12,933
53,882	11,450	194,543	5,039	-	298,981
-	-	-	15,000	-	15,000
-	-	-	-	28,600	28,600
8,608	2,833	-	13,908	8,213	35,079
18,842	3,923	5,856	1,419	48,544	76,683
-	-	-	-	1,796	1,796
<u>4,800</u>	<u>3,800</u>	<u>-</u>	<u>2,500</u>	<u>-</u>	<u>19,500</u>
118,900	36,858	190,179	41,862	77,366	529,472
 \$ 198,262	 \$ 14,745	 \$ 176,669	 \$ 91,876	 \$ 22,821	 \$ 21,381

# COMBINING STATEMENTS OF FUND EQUITY

Year Ended May 31, 1999

	1987 A <u>Bond Fund</u>	1988 B <u>Bond Fund</u>	1989 A <u>Bond Fund</u>
<b>Fund Equity (Deficit):</b>			
Balance at beginning of year	\$ 362,198	\$ 130,718	\$ 3,764
Residual capital transfers	387,899	(107,896)	-
Net income (loss)	( 4,891)	( 43,124)	( 6,370)
Balance at end of year	-	-	( 2,736)
<b>Additional Paid-in Capital:</b>			
Balance at beginning of year	398,308	( 71,608)	-
Residual capital transfers	( 367,899)	187,608	-
Capital transfer	( 23,809)	( 38,338)	-
Balance at end of year	-	-	-
<b>Total Fund Equity</b>	-	-	( 2,736)
 Fund equity reserved under provisions of bond indentures	( - )	( - )	2,736
 <b>FUND EQUITY, unreserved</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

1981 A Bond Fund	1982 A Bond Fund	1983 A Bond Fund	1988 A/B Bond Fund	Operating Fund	Combined Totals
\$ 1,543,648	\$ ( 6,618)	\$ 122,330	\$ 19,873	\$ 134,824	\$ 1,713,048
-	-	-	-	-	299,493
<u>199,282</u>	<u>( 14,744)</u>	<u>(174,699)</u>	<u>31,376</u>	<u>23,323</u>	<u>21,251</u>
1,733,930	( 21,362)	( 52,369)	50,650	( 131,023)	1,598,852
789,345	52,596	208,800	247,820	1,095,213	2,693,816
-	-	-	-	-	( 258,493)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,547</u>	<u>-</u>
1,789,345	52,596	208,800	247,820	1,188,760	2,698,323
3,523,269	31,234	143,661	317,670	973,639	3,995,513
(2,323,267)	( 31,634)	(147,661)	(317,670)	-	(3,817,490)
\$ -	\$ -	\$ -	\$ -	\$ 977,639	\$ 977,639

Calcasieu Parish Public Trust Authority

COMBINING STATEMENTS OF CASH FLOWS

Year Ended May 31, 1999

	1987 A Bond Fund	1988 B Bond Fund	1989 A Bond Fund
Cash flows from operating activities:			
Net income (Loss)	\$ ( 4,501 )	\$ 45,124	\$ 4,510
Adjustments to reconcile to net cash provided by (used in) operating activities:			
Amortization, net of accretion	-	25,248	2,869
Depreciation expense	-	-	-
Gain on disposal of fixed assets	-	-	-
Net changes in:			
Accounts receivable	-	-	-
Accrued interest receivable	6,508	10,810	949
Other assets	-	-	-
Accounts payable	-	( 2,964 )	32
Accrued interest payable	-	( 17,619 )	( 6,071 )
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>1,607</u>	<u>14,569</u>	<u>( 9,411 )</u>
Cash flows from financing activities:			
Principal payments on bonds	-	(2,962,787)	( 165,579 )
Transfers to other funds	( 22,809 )	( 10,914 )	-
Transfers from other funds	-	-	-
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	<u>( 22,809 )</u>	<u>(2,973,701)</u>	<u>( 165,579 )</u>
Cash flows from investing activities:			
Mortgage loans receivable, net	-	-	-
Proceeds from sales of real estate, net of costs	-	-	-
Proceeds from investment securities maturities	-	-	-
Purchases of investment securities	-	-	-
Proceeds from mortgage-backed securities maturities	-	-	122,643
Purchases of mortgage-backed securities	-	-	-
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>-</u>	<u>-</u>	<u>122,643</u>
Net increase (decrease) in cash	( 21,402 )	(2,667,431)	( 52,315 )
Cash and cash equivalents, beginning of year	<u>21,402</u>	<u>2,697,811</u>	<u>68,089</u>
Cash and cash equivalents, end of year	\$ -	\$ -	\$ -



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### INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Trustees  
Calcasieu Parish Public Trust Authority  
Lake Charles, LA

We have audited the financial statements of the Calcasieu Parish Public Trust Authority as of and for the years ended May 31, 1999 and 1998, and have issued our report thereon dated November 11, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

#### Compliance

As part of obtaining reasonable assurance about whether the Calcasieu Parish Public Trust Authority's financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these 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 that are required to be reported under Government Auditing Standards.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Calcasieu Parish Public Trust Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

To the Board of Trustees  
Calcasieu Parish Public Trust Authority  
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This report is intended for the information of the audit committee, management and the Calcasieu Parish Police Jury. However, this report is a matter of public record and its distribution is unlimited.

*Angela Williams, Esq., PLLC*

Lake Charles, LA  
November 11, 1999