DOWNTOWN DEVELOPMENT AUTHORITY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND TYPE (GENERAL FUND)
For The Years Ended December 31, 1996 and 1995

	1996	1995
Revenues:		
Taxes - ad valorem	$ 263,452	$ 286,487
Intergovernmental	93,193	38,193
Interest	29,751	18,198
Miscellaneous	-	93
Total revenues	$ 386,396	$ 342,971
Expenditures:		
General government	$ 7,462	$ 10,765
Economic development	306,621	179,454
Total expenditures	$ 314,083	$ 190,219
Excess of revenues over expenditures	$ 72,313	$ 152,752
Fund balance, beginning	317,554	164,802
Fund balance, ending	$ 389,867	$ 317,554

See Notes to Financial Statements.

DOWNTOWN DEVELOPMENT AUTHORITY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL - GOVERNMENTAL FUND TYPE (GENERAL FUND)
Year Ended December 31, 1996
With Comparative Actual Amounts for Year Ended December 31, 1995

	1996			
	Budget	Actual	Variance - Favorable (Unfavorable)	1995 Actual
Revenues:				
Taxes - ad valorem	$ 264,892	$ 263,452	$ (1,440)	$ 286,487
Intergovernmental -				
Lafayette Consolidated Government	93,193	93,193	-	38,193
Interest	6,000	29,751	23,751	18,198
Miscellaneous	-	-	-	93
Total revenues	$ 364,085	$ 386,396	$ 22,311	$ 342,971
Expenditures:				
General government -				
Charges for collection of taxes	$ 9,551	$ 7,462	$ 2,089	$ 10,765
Economic development -				
Personnel costs	87,997	86,905	1,092	81,770
Supplies and materials	1,660	1,866	(206)	2,329
Telephone and utilities	2,000	1,169	831	1,832
Printing and binding	1,000	1,293	(293)	1,291
Equipment maintenance	300	-	300	1,264
Rent	3,096	3,096	-	4,763
Contractual services	294,300	84,395	209,905	74,101
Marketing/business development	151,880	121,507	30,373	8,924
Other	7,876	6,390	1,486	3,180
Total expenditures	$ 559,660	$ 314,083	$ 245,577	$ 190,219
Excess (deficiency) of revenues over expenditures	$ (195,575)	$ 72,313	$ 267,888	$ 152,752
Fund balance, beginning	195,575	317,554	121,979	164,802
Fund balance, ending	$ -0-	$ 389,867	$ 389,867	$ 317,554

See Notes to Financial Statements.

DOWNTOWN DEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The financial statements of Downtown Development Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

Reporting entity:

The Downtown Development Authority, a component unit of the Lafayette City-Parish Consolidated Government, was created by the Louisiana Legislature to implement various plans to aid and encourage both private and public development of the Lafayette Centre Development District. Funding is provided by the Lafayette City-Parish Consolidated Government's General Fund, a repayment of a loan made under a UDAG grant and an ad valorem tax approved by the voters of the District. The tax, which began in 1993 and will continue for fifteen years, was assessed at 10.00 mills. In 1996, the millage dropped to 9.33.

Fund accounting:

The Authority uses one fund and two account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the fund because they do not directly affect net expendable available financial resources.

The General Fund, a governmental fund type, is the general operating fund of the Authority. It is used to account for all the financial resources of the Authority.

Basis of accounting:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Authority considers property taxes as "available" in the year following the assessment, when the majority of the taxes are actually collected. Expenditures are recorded when the related fund liability is incurred.

In addition to property taxes, the other major revenues susceptible to accrual are intergovernmental and interest.

The Authority reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. The deferred revenue at December 31, 1996 was for ad valorem taxes as further discussed in Note 4.

Budgets:

Budgets are adopted on a basis consistent with generally accepted accounting principles. An annual appropriated budget is adopted for the General Fund. All annual appropriations lapse at fiscal year end.

Fixed assets:

General fixed assets are not capitalized in the fund used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in the governmental fund, and the related assets are reported in the general fixed assets account group.

Unpaid accumulated vacation and sick pay:

Employees of the Authority earn vacation pay in varying amounts ranging from eight hours per month to 16 hours per month, depending upon length of service. At the end of each year, employees may carry forward vacation time earned but not taken with the maximum allowable carryover of unused vacation time being equal to one year's accumulated vacation time. Subject to the above limitation, unused vacation is paid to an employee upon retirement or resignation at hourly rates being earned by that employee upon separation.

Sick leave is accumulated at the rate of 12 days per year, and any unused sick leave may be carried forward without limitation. No sick leave is paid upon resignation. Employees separated due to retirement or death are paid for all accumulated sick leave at the hourly rates being earned by that employee at separation.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts. In accordance with the provisions of Statement of Financial Accounting Standards No. 43, "Accounting for Compensated Absences," no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

Long-term debt:

Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term account group.

Comparative data:

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Authority's financial position and results of operations. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

Memorandum only - total columns:

Total columns on the combined financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation.

Note 2. Legal Compliance - Budgets

An annual budget, prepared on a basis consistent with generally accepted accounting principles as applied to governmental units, is adopted for the General Fund. The budget is proposed by the Executive Director and adopted by the Board. It is then sent to the Lafayette City-Parish Consolidated Government Council for approval.

Any amendments must be approved by the Board and the Lafayette City-Parish Consolidated Government Council.

The budgeted amounts in this report are as originally adopted, or as amended following the procedures outlined above. All appropriations lapse at the end of the fiscal year.

Note 3. Deposits and Investments

Downtown Development Authority deposits its cash in the Lafayette City-Parish Consolidated Government's Consolidated Cash Account for investment and disbursement purposes. The Lafayette City-Parish Consolidated Government holds the funds in its account in the name of the Authority. At October 31, 1996, the Lafayette City-Parish Consolidated Government's fiscal year end, the Government's account was covered by federal depository insurance or by collateral held by the Government's agent in the Government's name.

At December 31, 1996, $393,522 of cash and investments were being held by the Lafayette City-Parish Consolidated Government and the Authority had $150 of cash on hand.

Note 4. Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year.

Taxes are budgeted and the revenue recognized in the year following the assessment, when the majority of the taxes are actually collected.

The taxes are based on assessed values determined by the Tax Assessor of Lafayette Parish and are collected by the Sheriff. The taxes are remitted to the Authority net of deductions for Pension Fund contributions.

For the years ended December 31, 1996 and 1995, taxes were levied on property with assessed valuations totaling $29,874,410 and $26,489,240, respectively. The millage for the years ended 1996 and 1995 was 9.33 and 10.00, respectively.

Total taxes levied, exclusive of homestead exemptions, were $273,969 for 1996 and $260,495 for 1995. Taxes receivable at December 31, 1996 totaled $145,431, all of which is considered collectible ($119,514 at December 31, 1995).

Note 5. Long-term Debt

During the year ended December 31, 1996, the following changes occurred in the liability reported in the general long-term debt account group:

	Balance December 31, 1995	Additions	Reductions	Balance December 31, 1996
Compensated absences	$ 7,361	$ 799	$ -0-	$ 8,160

Note 6. Compensation of Authority Members

No compensation was paid to Authority members during the year ended December 31, 1996.

Note 7. Employee Retirement System

Plan description and provisions:

All of the Authority's employees participate in the Municipal Employees' Retirement Systems (MERS), a multiple-employer, cost-sharing pension plan established by the Louisiana Legislature. The payroll for employees covered by the MERS, as well as total payroll, for the year ended December 31, 1996 was $77,582.

Employees are eligible to retire under Plan A of the System at age 55 or 60 depending on years of creditable service, or at any age with 30 years of creditable service. Monthly benefits consist of 3% of a member's final compensation, multiplied by years of service with certain limitations. The System also provides disability and survivor benefits. All benefits are established by State statue.

Description of funding policy:

Covered employees are required to contribute 9.25% of their salary to MERS; the Authority contributed 6.75% through June 30, 1996 at which time the rate changed to 6.25%. Contributions for the year ended December 31, 1996 were $7,176 from employees and $5,043 from the Authority.

The amount reported below as "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to help users assess the plan's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among government pension plans and employers. The MERS does not conduct separate measurements of assets and pension benefit obligations for individual employers. The pension benefit obligation at June 30, 1996, the last actuarial determination available, for the MERS Plan A as a whole, determined through an actuarial valuation performed as of that date, was $349,344,064. The MERS Plan A net assets available for benefits on that date (valued at market) were $317,277,291, resulting in an unfunded pension benefit obligation of $32,066,773. The Authority's contribution for 1996 represented approximately .05% of total contributions required of all participating employers.

Note 8. Changes in General Fixed Assets

The following is a summary of changes in the general fixed assets account group during the fiscal year.

	Balance 01/01/96	Additions	Deletions	Balance 12/31/96
Land	$132,241	$ -	$ -	$132,241
Equipment	21,078	10,241	-	31,319
	$153,319	$ 10,241	$ -0-	$163,560

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
STRUCTURE RELATED MATTERS NOTED IN A FINANCIAL
STATEMENT AUDIT CONDUCTED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Downtown Development Authority
Lafayette, Louisiana

We have audited the financial statements of Downtown Development Authority, a component unit of the Lafayette City-Parish Consolidated Government, as of and for the year ended December 31, 1996, and have issued our report thereon dated April 4, 1997.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the Louisiana Governmental Audit Guide. Those standards require that we plan and *perform the audit to obtain reasonable assurance about whether the* financial statements are free of material misstatement.

The management of Downtown Development Authority is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of Downtown Development Authority for the year ended December 31, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities 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 structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of Downtown Development Authority and management. However, this report is a matter of public record and its distribution is not limited.

Broussard, Poche', Lewis & Breaux

Lafayette, Louisiana
April 4, 1997

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS ISSUED BY THE GAO

To the Downtown Development Authority
Lafayette, Louisiana

We have audited the financial statements of Downtown Development Authority, a component unit of the Lafayette City-Parish Consolidated Government, as of and for the year ended December 31, 1996, and have issued our report thereon dated April 4, 1997.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States and the Louisiana Governmental Audit Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, and contracts applicable to Downtown Development Authority is the responsibility of the Authority's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Authority's compliance with certain provisions of laws, regulations, and contracts. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under Government Auditing Standards.

This report is intended for the information of Downtown Development Authority and management. However, this report is a matter of public record and its distribution is not limited.

Broussard, Poche', Lewis & Breaux

Lafayette, Louisiana
April 4, 1997

Totals	
1996	1995
$ 150	$ 150
393,522	325,318
145,431	119,514
124,733	135,719
132,241	132,241
31,319	21,078
8,160	7,361
$ 835,556	$ 741,381
$ 273,969	$ 260,495
-	2,652
8,160	7,361
$ 282,129	$ 270,508
$ 163,560	$ 153,319
389,867	317,554
$ 553,427	$ 470,873
$ 835,556	$ 741,381

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

DOWNTOWN DEVELOPMENT AUTHORITY

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
December 31, 1996
With Comparative Actual Amounts for Year Ended December 31, 1995

ASSETS	Governmental Fund Type General	Account Groups General Long-Term Debt	Account Groups General Fixed Assets
Cash on hand	$ 150	$ -	$ -
Cash and investments held by Lafayette Consolidated Government	393,522	-	-
Taxes receivable	145,431	-	-
Other receivables	124,733	-	-
Land and building	-	-	132,241
Equipment	-	-	31,319
Amount to be provided for retirement of general long-term debt	-	8,160	-
Total assets	$ 663,836	$ 8,160	$ 163,560
LIABILITIES AND FUND BALANCES			
Liabilities:			
Deferred revenue	$ 273,969	$ -	$ -
Accounts payable	-	-	-
Accrued compensated absences	-	8,160	-
Total liabilities	$ 273,969	$ 8,160	$ -0-
Fund balances:			
Investment in general fixed assets	$ -	$ -	$ 163,560
Unreserved:			
Undesignated	389,867	-	-
Total fund balances	$ 389,867	$ -0-	$ 163,560
Total liabilities and fund balances	$ 663,836	$ 8,160	$ 163,560

See Notes to Financial Statements.

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INDEPENDENT AUDITORS' REPORT

To the Downtown Development Authority
Lafayette, Louisiana

We have audited the accompanying financial statements of Downtown Development Authority, a component unit of the Lafayette City-Parish Consolidated Government, as of and for the year ended December 31, 1996, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, the standards for financial and compliance audits contained in Government Auditing Standards, promulgated by the United States Comptroller General, and the Louisiana Governmental Audit Guide. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 that our audit provides 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 Downtown Development Authority as of December 31, 1996, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated April 4, 1997, on our consideration of Downtown Development Authority's internal control structure and a report dated April 4, 1997, on its compliance with laws and regulations.

Broussard, Poché, Lewis & Breaux

Lafayette, Louisiana
April 4, 1997

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DOWNTOWN DEVELOPMENT AUTHORITY

FINANCIAL REPORT

DECEMBER 31, 1996