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LOUISIANA PUBLIC FACILITIES AUTHORITY
REPORT ON AUDIT OF THE COMPONENT
UNIT FINANCIAL STATEMENTS
DECEMBER 31, 2003
BATON ROUGE, LOUISIANA

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The 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 5.26.04

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April 2, 2004

Independent Auditor's Report

To the Board of Trustees
Louisiana Public Facilities Authority
Baton Rouge, Louisiana

We have audited the accompanying basic financial statements of the Louisiana Public Facilities Authority (A Public Trust), a component unit of the State of Louisiana, as of and for the year ended December 31, 2003, as listed in the foregoing table of contents. These basic financial statements are the responsibility of management of the Louisiana Public Facilities Authority. Our responsibility is to express an opinion on these basic financial statements based on our audit.

In addition, Hannis T. Bourgeois, LLP, acting separately, audited the financial statements of the component units discretely presented in the Louisiana Public Facilities Authority's basic financial statements. The component units audited by us separately, account for 100% of the assets of the component units column on the Balance Sheet.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit 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 basic financial statements present fairly, in all material respects, the financial position of the Louisiana Public Facilities Authority, as of December 31, 2003, and the results of its operations and its cash flows of its enterprise fund, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 2, 2004, on our consideration of the Louisiana Public Facilities Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis on pages 3 through 8 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental information schedules and "Annual Financial Report" as required by the Louisiana Division of Administration listed in the table of contents is presented for purpose of additional analysis and is not a required part of the basic financial statements of the Louisiana Public Facilities Authority. Such information has been subjected to the auditing procedures applied in the examination of the basic financial statements, and, in our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,

Hannu J. Bourgeois, CPA

FINANCIAL STATEMENTS

MANAGEMENT'S DISCUSSION AND ANALYSIS

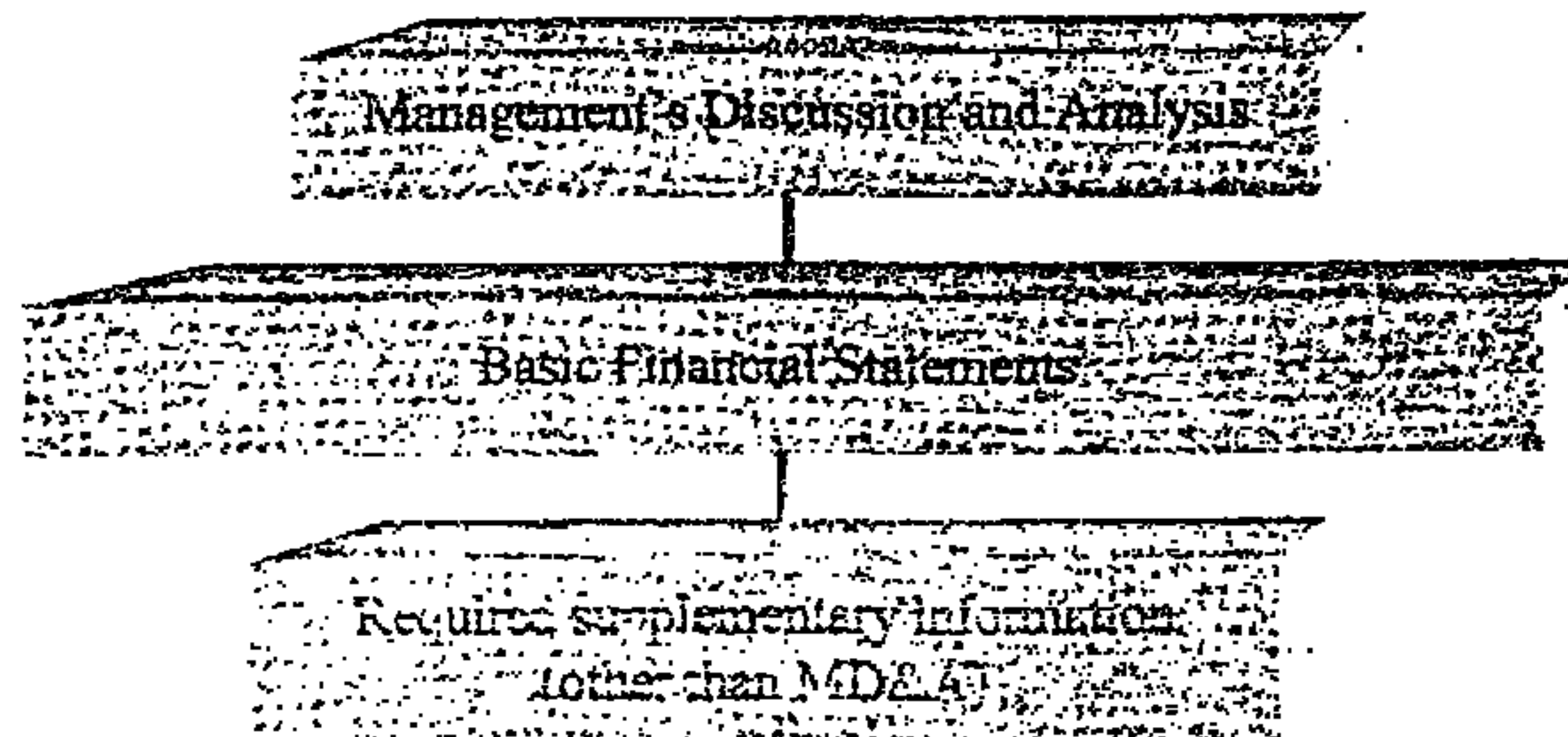
The following Management's Discussion and Analysis (MD&A) of the Louisiana Public Facilities Authority's activities and financial performance provides the reader with an introduction and overview to the financial statements of the Louisiana Public Facilities Authority (Authority) for the fiscal year ended December 31, 2003. The information contained in this MD&A should be considered in conjunction with the information contained in the financial statements that follow this section.

Following this MD&A are the basic financial statements of the Authority together with the notes thereto which are essential to a full understanding of the data contained in the financial statements. In addition to the basic financial statements and accompanying notes, these financial statements also present certain required supplementary information about the Authority.

FINANCIAL HIGHLIGHTS

- The Authority's total assets increased by \$1,995,452 or approximately 10.39%. Likewise, total net assets increased by \$1,975,341 or approximately 10.34%.
- Total cash and investments at December 31, 2003 represent approximately 60% of the Authority's total assets.
- Operating revenues increased \$1,096,083 from the prior year due primarily to increased one-time residuals from bond issues in the amount of \$1,373,605 and a decline of \$220,488 in Finance Acceptance Fees in 2003.
- Operating expenses increased \$475,576 over the prior year primarily because the current year includes grants of \$295,000 while the prior year did not include any grants and because of an increase in employees salaries and benefits in the amount of \$130,696.
- Non-operating revenues decreased \$331,851 from the prior year due to a decrease in the market value of the Authority's investments and lower interest rates on the Authority's investments.

OVERVIEW OF THE FINANCIAL STATEMENTS



The preceding graphic illustrates the minimum requirements for Special Purpose Governments

Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.

These financial statements consist of three sections: Management's Discussion and Analysis; the basic financial statements; and the required supplementary information. The basic financial statements also include notes that explain in more detail some of the information in the financial statements.

Basic Financial Statements

The Authority's financial statements are prepared on an accrual basis in accordance with U.S. generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB). The Authority is structured as a single enterprise fund with revenues recognized when earned, not when received. Expenses are recognized when incurred, not when they are paid. Capital assets are capitalized and (except land) are depreciated over their useful lives. See the notes to the financial statements for a summary of the Authority's significant accounting policies.

The financial statements of the Authority report information about the Authority using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities. The Balance Sheet includes all of the Authority's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to Authority creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of the Authority, and assessing the liquidity and financial flexibility of the Authority. All of the current year's revenues and expenses are accounted for in the Statement of Revenues and Expenses and Changes in Net Assets. This statement measures the success of the Authority's operations over the past year and can be used to determine whether the Authority was profitable and its credit worthiness. The final required financial statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the Authority's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period. The cash flow statement is prepared using the direct method, and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB 34.

The following is a condensed Balance Sheet at December 31, 2002 and 2003:

	<u>2002</u>	<u>2003</u>
Current and Other Noncurrent Assets	\$ 19,105,906	21,098,400
Net Capital Assets	102,404	105,362
Total Assets	<u>\$ 19,208,310</u>	<u>21,203,762</u>
Current Liabilities and Noncurrent Liabilities	\$ 96,352	116,463
Total Liabilities	<u>\$ 96,352</u>	<u>116,463</u>
Net Assets		
Invested in Capital Assets, Net of Debt	\$ 102,404	105,362
Unrestricted	19,009,554	20,981,937
Total Net Assets	<u>\$ 19,111,958</u>	<u>21,087,299</u>

FINANCIAL ANALYSIS OF THE AUTHORITY

One of the most important questions asked about 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 Balance Sheet, and the Statement of Revenues and Expenses and Changes in Net Assets report information about the Authority's activities in a way that will help answer this question. These two statements report the net assets of the Authority and changes in them. You can think of the Authority's net assets - the difference between assets and liabilities - as one way to measure financial health or financial position. Over time, increases or decreases in the Authority's net assets are one indicator of whether its financial health is improving or deteriorating. However, you will need to consider other non-financial factors such as changes in economic conditions and new or changed government legislation, both state and federal.

The following is a condensed statement of Revenues and Expenses and Changes in Net Assets for the fiscal years ending December 31, 2002 and 2003:

	<u>2002</u>	<u>2003</u>
Operating revenues	\$ 2,569,800	3,665,883
Operating expenses	<u>(1,574,711)</u>	<u>(2,050,287)</u>
Operating income (loss)	995,089	1,615,596
Non-operating revenues (expenses)	<u>691,596</u>	<u>359,745</u>
Net increase in net assets	<u>\$ 1,686,685</u>	<u>1,975,341</u>

As detailed in the above summary, the Authority's net assets increased by \$1,975,341 in fiscal year 2003. This continues the Authority's history of having net income every year since 1994, the first full year after the formation by the Board of Trustees of the Development Committee.

One of the highest priorities of the Board of Trustees and management of the Authority is the preservation of the Authority's assets. Another priority is utilizing these assets for the betterment of the citizens of Louisiana while at the same time preserving the assets for future use by the Authority. With this in mind, the Authority has developed programs where it makes direct loans, primarily to small local governments and nonprofit organizations, at a zero percent interest rate to help buy down the cost of financing for the borrower. Under this philosophy, the Authority restricts the amount of grants it makes and instead focuses on loans where the capital is returned to the Authority in a reasonable amount of time.

There was a significant change in operating results from fiscal year 2002. The increase in operating revenues resulted from a \$1,373,605 increase in Program Investment Earnings. Program Investment Earnings are residuals from old program bond issues and are one-time revenues that cannot be relied upon from year to year. Other changes included a \$220,488 decrease in Finance Acceptance Fees and a \$56,788 decrease in Program Administrative Fees. The decrease in Finance Acceptance Fees was due to a drop in bond issuance volume from approximately \$850 million in fiscal year 2002 to approximately \$334 million in fiscal year 2003. The decrease in Program Administrative Fees was due to the Authority reducing the administrative fee charged in connection with its SuperTop student loan program.

The increase in Operating Expenses was due in large part to the Authority making \$295,000 in grants during fiscal year 2003. The Authority did not have any grant expenses in fiscal year 2002.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets:

As of December 31, 2003, the Authority had \$420,196 invested in capital assets consisting mainly of office furniture and equipment. This amount represents a net increase of \$26,670 over last year.

Debt:

The Authority had no outstanding debt as of December 31, 2003.

VARIATIONS BETWEEN ACTUAL AND FINAL BUDGET

The Joint Legislative Committee on the Budget approves the annual operating budget of the Louisiana Public Facilities Authority.

The following is a summary of the budget adopted by the Authority's Board of Trustees and approved by the Joint Legislative Committee on the Budget for the fiscal year ending on December 31, 2003, compared to the actual operating results of the primary government for said fiscal year.

	<u>Budget</u>	<u>Actual</u>	<u>Difference</u>
Operating revenues	\$ 1,789,500	3,665,883	1,876,383
Operating expenses	<u>(2,244,655)</u>	<u>(2,050,287)</u>	<u>194,368</u>
Operating Income or (Loss)	(455,155)	1,615,596	2,070,751
Non-operating revenues	400,000	359,745	(40,255)
Net increase in net assets	<u>\$ (55,155)</u>	<u>1,975,341</u>	<u>2,030,496</u>

The 2003 budget also authorizes the purchase of \$69,750 in capital assets for the Authority. The cost of these capital assets will be capitalized and written off over the estimated useful life of the assets through depreciation expenses.

Operating Revenues exceeded the budgeted amount due to the receipt of \$1,861,275 in Program Investment Earnings. Program Investment Earnings are residuals from old program bond issues and are one-time revenues that cannot be relied upon from year to year. Due to the uncertain nature of this revenue, Program Investment Earnings are not included in the budget.

Operating Expenses were less than expected because of general cost saving measures used by the Authority.

Non-operating revenues were less than budgeted because of unrealized losses on the market value of investments. The Authority does not budget for gains or losses on the value of investments due to the uncertain nature of market conditions that determine such gains or losses.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Authority submits a budget at the beginning of each year for approval by the Authority's Board of Trustees and the Joint Legislative Committee on the Budget. The following is a summary of the budget adopted by the Authority's Board of Trustees and approved by the Joint Legislative Committee on the Budget for the fiscal year ending on December 31, 2004.

Operating revenues	\$ 1,899,500
Operating expenses	<u>(2,365,380)</u>
Operating Loss	(465,880)
Non-operating revenues	<u>400,000</u>
Net increase or (decrease) in net assets	<u>\$ (65,880)</u>

The budget also authorizes the purchase of \$87,200 in capital assets for the Authority. The cost of these capital assets will be capitalized and written off over the estimated useful life of the assets through depreciation expenses.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the citizens of Louisiana with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have any questions about this report or need additional information, contact the Authority at 2237 South Acadian Thruway, Suite 650, Baton Rouge, Louisiana 70808, or visit the Authority's web site at www.lpfa.com.

LOUISIANA PUBLIC FACILITIES AUTHORITY

BALANCE SHEET

AS OF DECEMBER 31, 2003

ASSETS

	Primary Government	Component Units	Total Reporting Entity (Memorandum Only)
Current Assets:			
Cash and Cash Equivalents	\$ 3,665,012	\$ 32,247	\$ 3,697,259
Interest Bearing Deposits	981,533	-	981,533
Investment Securities	-	-	-
Receivables:			
Program Investment Earnings	49,825	-	49,825
Advance Costs-Projects	5,152	-	5,152
Program Administrative Fees	306,442	-	306,442
Financing Application Fees	2,500	-	2,500
Project Financing Fees	59,019	-	59,019
Annual Issuer Fees	36,166	-	36,166
Accrued Interest and Dividend Receivable	107,751	-	107,751
Local Government Bond Bank	1,622,333	-	1,622,333
Rural Development Loan Program	1,471,750	-	1,471,750
Loans to Nonprofit Organizations	15,000	-	15,000
Mortgage Loans Receivable	-	7,552	7,552
	<u>3,675,938</u>	<u>7,552</u>	<u>3,683,490</u>
Prepaid Expenses	18,144	-	18,144
Total Current Assets	8,340,627	39,799	8,380,426
Noncurrent Assets:			
Capital Assets:			
Office Furniture and Equipment	414,804	-	414,804
Leasehold Improvements	5,392	-	5,392
	<u>420,196</u>	<u>-</u>	<u>420,196</u>
Less: Accumulated Depreciation and Amortization	(314,834)	-	(314,834)
Net Capital Assets	105,362	-	105,362
Other Assets:			
Interest Bearing Deposits - Long-Term	2,949,233	-	2,949,233
Investment Securities - Long-Term	5,429,887	-	5,429,887
Receivables - Long-Term:			
Reimbursable Bond Issuance Costs, Less Allowance for Doubtful Accounts of \$17,000	149,652	-	149,652
Local Government Bond Bank	2,229,001	-	2,229,001
Loans to Nonprofit Organizations	2,000,000	-	2,000,000
Mortgage Loans Receivable - Long Term	-	656,852	656,852
Total Other Assets	12,757,773	656,852	13,414,625
Total Noncurrent Assets	12,863,135	656,852	13,519,987
Total Assets	\$ 21,203,762	\$ 696,651	\$ 21,900,413

The accompanying notes are an integral part of this statement.

LIABILITIES AND NET ASSETS

	<u>Primary Government</u>	<u>Component Units</u>	<u>Total Reporting Entity (Memorandum Only)</u>
Current Liabilities:			
Accounts Payable	\$ 35,894	\$ -	\$ 35,894
Pension Contribution	80,569	-	80,569
Mortgage Loans Payable	<u>-</u>	<u>7,552</u>	<u>7,552</u>
Total Current Liabilities	116,463	7,552	124,015
Long-Term Liabilities:			
Mortgage Loans Payable	<u>-</u>	<u>656,852</u>	<u>656,852</u>
Total Long Term Liabilities	<u>-</u>	<u>656,852</u>	<u>656,852</u>
Total Liabilities	116,463	664,404	780,867
Net Assets:			
Invested in Capital Assets, Net of Related Debt Unrestricted	105,362 <u>20,981,937</u>	- <u>32,247</u>	105,362 <u>21,014,184</u>
Total Net Assets	21,087,299	32,247	21,119,546
Total Liabilities and Net Assets	<u>\$ 21,203,762</u>	<u>\$ 696,651</u>	<u>\$ 21,900,413</u>

LOUISIANA PUBLIC FACILITIES AUTHORITY

STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2003

	Primary Government	Component Units	Total Reporting Entity (Memorandum Only)
Operating Revenues:			
Program Investment Earnings	\$ 1,861,275	\$ -	\$ 1,861,275
Project and Program Administrative Fees:			
Finance Acceptance Fees	162,798	-	162,798
Multi-Family Annual Issuer Fees	196,287	-	196,287
Program Administrative Fees	1,416,503	-	1,416,503
Financing Application Fees	2,500	-	2,500
Other Income	26,520	-	26,520
Grant - Bond Issue	-	20,630	20,630
Interest - Mortgage Loans	-	4,153	4,153
Total Operating Revenues	3,665,883	24,783	3,690,666
Operating Expenses:			
Administrative Services	52,932	-	52,932
Business Promotion and Economic Development	148,823	-	148,823
Depreciation and Amortization	46,342	-	46,342
Employees' Salaries and Benefits	934,707	-	934,707
Grant Expense	295,000	20,630	315,630
Insurance	36,745	-	36,745
Interest - Mortgage Loans	-	4,153	4,153
Legal and Accounting Services	67,595	1,140	68,735
Office Expense	90,375	-	90,375
Other	57,589	63	57,652
Printing, Publications, Dues and Subscriptions	95,913	-	95,913
Rent	141,469	-	141,469
Travel	60,597	-	60,597
Trustee Per Diems	22,200	-	22,200
Unreimbursed Project Costs	-	-	-
Total Operating Expenses	2,050,287	25,986	2,076,273
Operating Income (Loss)	1,615,596	(1,203)	1,614,393
Non-Operating Revenues (Expenses):			
Interest Income, Net	448,186	-	448,186
Realized and Unrealized Gains and (Losses) on Investments	(88,441)	-	(88,441)
Total Non-Operating Revenues (Expenses)	359,745	-	359,745
Change in Net Assets	1,975,341	(1,203)	1,974,138
Total Net Assets - Beginning of Year	19,111,958	33,450	19,145,408
Total Net Assets - End of Year	\$ 21,087,299	\$ 32,247	\$ 21,119,546

The accompanying notes are an integral part of this statement.

LOUISIANA PUBLIC FACILITIES AUTHORITY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2003

	Primary Government	Component Units	Total Reporting Entity (Memorandum Only)
Cash Flows from Operating Activities:			
Cash Received from Customers	\$ 3,392,512	\$ 24,783	\$ 3,417,295
Cash Payments to Suppliers for Goods and Services	(606,361)	(25,923)	(632,284)
Cash Payments to Employees for Services	(923,227)	-	(923,227)
Other Operating Revenues (Expenses)	(459,671)	(63)	(459,734)
Net Cash Used in Operating Activities	1,403,253	(1,203)	1,402,050
Cash Flows from Non-Capital Financing Activities:			
Mortgage Loans Issued	-	(665,170)	(665,170)
Principal Collections on Mortgage Loans	-	766	766
Proceeds from Issuance of Mortgage Loans	-	665,170	665,170
Principal Repayment on Mortgage Loans	-	(766)	(766)
Net Cash Provided by Non-Capital Financing Activities	-	-	-
Cash Flows from Capital and Related Financing Activities:			
Purchase of Property and Equipment	(49,300)	-	(49,300)
Net Cash Used in Capital and Related Financing Activities	(49,300)	-	(49,300)
Cash Flows from Investing Activities:			
Purchase of Interest Bearing Deposits and Investment Securities	(2,509,015)	-	(2,509,015)
Proceeds from Sale and Maturities of Interest Bearing Deposits and Investment Securities	1,634,478	-	1,634,478
Interest on Investments, Interest Bearing Deposits and Cash Equivalents	448,186	-	448,186
Net Cash Provided by Investing Activities	(426,351)	-	(426,351)
Net Increase (Decrease) in Cash and Cash Equivalents	927,602	(1,203)	926,399
Cash and Cash Equivalents - Beginning of Year	2,737,410	33,450	2,770,860
Cash and Cash Equivalents - End of Year	\$ 3,665,012	\$ 32,247	\$ 3,697,259

(CONTINUED)

LOUISIANA PUBLIC FACILITIES AUTHORITY

STATEMENT OF CASH FLOWS - CONTINUED

FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Primary Government</u>	<u>Component Units</u>	<u>Total Reporting Entity (Memorandum Only)</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating Income (Loss)	\$ 1,615,596	\$ (1,203)	\$ 1,614,393
Adjustments to Reconcile Income from Operations to Net Cash Used in Operating Activities:			
Depreciation and Amortization	46,342	-	46,342
Loss on Sale of Investments	(1,002)	-	(1,002)
Changes in Assets and Liabilities:			
(Increase) Decrease in Receivables	(273,371)	-	(273,371)
(Increase) Decrease in Prepaid Expenses	(4,424)	-	(4,424)
Increase (Decrease) in Accounts Payable	8,632	-	8,632
Increase (Decrease) in Accrued Expenses	11,480	-	11,480
Net Cash Provided by (Used in) Operating Activities	<u>\$ 1,403,253</u>	<u>\$ (1,203)</u>	<u>\$ 1,402,050</u>
Schedule of Noncash Financial and Investing Activities:			
Amortization of Discounts on Receivables Based on Imputed Interest Rate of 4.33%; Netted with Interest Income	<u>\$ 310,964</u>	<u>\$ -</u>	<u>\$ 310,964</u>
Unrealized Gains and (Losses) on Investments	<u>\$ (87,439)</u>	<u>\$ -</u>	<u>\$ (87,439)</u>

The accompanying notes are an integral part of this statement.

LOUISIANA PUBLIC FACILITIES AUTHORITY

COMBINING BALANCE SHEETS

ALL DISCRETELY PRESENTED COMPONENT UNITS

AS OF DECEMBER 31, 2003

ASSETS

	<u>Louisiana Capital Funding Corporation</u>	<u>Louisiana Equipment Finance Corporation</u>	<u>LPFA Housing Assistance Corporation</u>	<u>Totals</u>
Current Assets:				
Cash and Cash Equivalents	\$ 14,503	\$ 17,744	-	\$ 32,247
Receivables:				
Mortgage Loans Receivable	-	-	7,552	7,552
Total Current Assets	14,503	17,744	7,552	39,799
Noncurrent Assets:				
Mortgage Loans Receivable - Long Term	-	-	656,852	656,852
Total Noncurrent Assets	-	-	656,852	656,852
Total Assets	\$ 14,503	\$ 17,744	\$ 664,404	\$ 696,651

LIABILITIES AND NET ASSETS

Current Liabilities:				
Mortgage Loans Payable	\$ -	\$ -	\$ 7,552	\$ 7,552
Total Current Liabilities	-	-	7,552	7,552
Long Term Liabilities:				
Mortgage Loans Payable	-	-	656,852	656,852
Total Long Term Liabilities	-	-	656,852	656,852
Total Liabilities	-	-	664,404	664,404
Net Assets:				
Unrestricted	14,503	17,744	-	32,247
Total Net Assets	14,503	17,744	-	32,247
Total Liabilities and Net Assets	\$ 14,503	\$ 17,744	\$ 664,404	\$ 696,651

The accompanying notes are an integral part of this statement.

LOUISIANA PUBLIC FACILITIES AUTHORITY

COMBINING STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET ASSETS

ALL DISCRETELY PRESENTED COMPONENT UNITS

FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Louisiana Capital Funding Corporation</u>	<u>Louisiana Equipment Finance Corporation</u>	<u>LPFA Housing Assistance Corporation</u>	<u>Totals</u>
Operating Revenues:				
Grant - Bond Issue	\$ -	\$ -	\$ 20,630	\$ 20,630
Interest - Mortgage Loans	-	-	4,153	4,153
	<u>-</u>	<u>-</u>	<u>24,783</u>	<u>24,783</u>
Total Operating Revenues	-	-	24,783	24,783
Operating Expenses:				
Grants - Home Purchase Assistance	-	-	20,630	20,630
Interest - Mortgage Loans	-	-	4,153	4,153
Legal and Accounting Services	570	570	-	1,140
Other	27	36	-	63
	<u>597</u>	<u>606</u>	<u>24,783</u>	<u>25,986</u>
Total Operating Expenses	597	606	24,783	25,986
Change in Net Assets	(597)	(606)	-	(1,203)
Total Net Assets - Beginning of Year	<u>15,100</u>	<u>18,350</u>	<u>-</u>	<u>33,450</u>
Total Net Assets - End of Year	<u>\$ 14,503</u>	<u>\$ 17,744</u>	<u>-</u>	<u>\$ 32,247</u>

The accompanying notes are an integral part of this statement.

LOUISIANA PUBLIC FACILITIES AUTHORITY

COMBINING STATEMENTS OF CASH FLOWS

ALL DISCRETELY PRESENTED COMPONENT UNITS

FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Louisiana Capital Funding Corporation</u>	<u>Louisiana Equipment Finance Corporation</u>	<u>LPFA Housing Assistance Corporation</u>	<u>Totals</u>
Cash Flows from Operating Activities:				
Cash Received from Customers	\$ -	\$ -	\$ 24,783	\$ 24,783
Cash Payments to Suppliers for Goods and Services	(570)	(570)	(24,783)	(25,923)
Cash Payments to Employees for Services	-	-	-	-
Other Operating Revenues (Expenses)	(27)	(36)	-	(63)
Net Cash Used in Operating Activities	(597)	(606)	-	(1,203)
Cash Flows from Non-Capital Financing Activities:				
Mortgage Loans Issued	-	-	(665,170)	(665,170)
Principal Collections on Mortgage Loans	-	-	766	766
Proceeds from Issuance of Mortgage Loans	-	-	665,170	665,170
Principal Repayment on Mortgage Loans	-	-	(766)	(766)
Net Cash Used in Non-Capital Financing Activities	-	-	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	(597)	(606)	-	(1,203)
Cash and Cash Equivalents - Beginning of Year	15,100	18,350	-	33,450
Cash and Cash Equivalents - End of Year	\$ 14,503	\$ 17,744	\$ -	\$ 32,247
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating Income (Loss)	\$ (597)	\$ (606)	\$ -	\$ (1,203)
Net Cash Provided by (Used in) Operating Activities	\$ (597)	\$ (606)	\$ -	\$ (1,203)

The accompanying notes are an integral part of this statement.

LOUISIANA PUBLIC FACILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2003

Note 1 - General Information and Summary of Significant Accounting Policies -

The Louisiana Public Facilities Authority (the Authority), a public trust, was created on August 21, 1974 by the Public Facilities Corporation, a Louisiana corporation, as settler under an Indenture of Trust in accordance with the provisions of the Louisiana Public Trust Act R.S. 9:2341 et seq. The Authority operates under a Board of Trustees.

The purposes of the Authority are to promote, encourage and further the accomplishment of all activities which are or may become of benefit to the State of Louisiana and which have a public purpose. To accomplish these purposes, the Authority issues bonds that provide the proceeds for the furtherance and accomplishment of various public purposes. The issuance of such obligations has been accounted for through trustee accounts maintained with various banks appointed as trustees. The obligations are limited and special obligations of the Authority and, as such, the Authority does not normally have any claims to assets or liabilities relating to the Bond issues. Accordingly, such transactions are not included in the accompanying financial statements until such time as an asset or liability has been determined to exist relating to residual amounts. Total bond principal outstanding at December 31, 2003, for Programs and Projects was approximately \$898,580,000 and \$2,567,000,000, respectively.

The following is a summary of certain significant accounting policies:

A. Scope of Reporting Entity

For reporting purposes, the State of Louisiana is the financial reporting entity. The financial reporting entity consists of (a) the primary government (state), (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.

The Louisiana Public Facilities Authority is considered a component unit of the State of Louisiana because the state has financial accountability over the Authority in that the Louisiana Joint Legislative Committee on the Budget has the authority to approve and amend the Authority's budget and the governor appoints all the Board of Trustees and can impose his/her will on the Authority. The accompanying financial statements present information only on the funds maintained by the Louisiana Public Facilities Authority and do not present information on the state, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

In addition, the Governmental Accounting Standards Board (GASB) Statement No. 14, the Financial Reporting Entity, established criteria for determining which component units should be considered part of the Authority for financial reporting purposes. The basic criteria are as follows:

LOUISIANA PUBLIC FACILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS - CONTINUED

DECEMBER 31, 2003

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Authority 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 Authority.
2. Organizations for which the Authority does not appoint a voting majority but are fiscally dependent on the Authority.
3. 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.

Based on the previous criteria, the Authority's management has included the following discretely presented component units in the financial reporting entity:

The Louisiana Capital Funding Corporation (LCFC) is a nonprofit Louisiana Corporation that was organized to promote, support, aid and assist the Authority's Local Government Capital Funding Program. The LCFC has a December 31, 2003 year-end. The Louisiana Equipment Finance Corporation (LEFC) is a nonprofit Louisiana Corporation that was organized to promote, support, aid and assist with the Authority's programs. The LEFC has a January 31, 2004 fiscal year end. The Louisiana Municipal Assistance Corporation (LMAC) is a nonprofit Louisiana Corporation that was organized to provide assistance to local governments with the Authority's programs. At December 31, 2003, the LMAC had no assets or liabilities. The LPFA Housing Assistance Corporation (LHAC) was created on March 7, 2003, for the purpose of holding title to real property, managing and leasing real property and collecting the revenue derived from the real property in connection with the LPFA Variable Rate Lease Purchase Revenue Bonds Series 2003 which is also known as the "Lou-Lease" program. The LHAC has a December 31, 2003 year end.

B. Measurement Focus and Basis of Accounting

Measurement Focus - On January 1, 2001, the Authority adopted the provisions of Statement No. 34 ("Statement 34") of the Governmental Accounting Standards Board "*Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments.*"

Statement 34 established standards for external financial reporting for all state and local governmental entities which includes a statement of net assets, a statement of revenues and expenses and changes in net assets and a statement of cash flows.

The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

LOUISIANA PUBLIC FACILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS - CONTINUED

DECEMBER 31, 2003

Basis of Accounting - The Authority uses the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized at the time liabilities are incurred or economic asset used.

Under the provisions of GASB Statement 20, "Accounting and Financial Reporting for Proprietary Fund Accounting," the Authority follows pronouncements of the GASB and has elected not to follow Financial Accounting Standards Board guidance issued subsequent to November 30, 1989.

Financial statement presentation of the LCFC, LEFC, and LHAC follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the LCFC, LEFC, and the LHAC are required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets as applicable. As of December 31, 2003, there were no temporary or permanently restricted net assets.

The financial statements of the LCFC, LEFC, and LHAC have been prepared on the accrual basis in which revenue is recognized when earned and expenses are recognized when incurred.

C. Budgets and Budgetary Accounting

The Authority uses the following budgetary practices:

The Authority prepared its annual operating budget based on what was expected to be collected during the fiscal year. Management presents the budget to the Board of Trustees for approval prior to the budget being submitted to the Louisiana Joint Legislative Committee on the Budget. In addition, certain expenses were approved as necessary by the Board of Trustees before payment. Any budget amendments necessary during the year must be approved by the Board of Trustees and the Louisiana Joint Legislative Committee on the Budget.

The Authority is not required to present a budget comparison in its financial statements.

D. Assets, Liabilities and Net Assets

Cash, Interest Bearing Deposits, and Investments - Cash includes demand deposits and money market deposits in trust accounts. Interest bearing deposits include certificates of deposits. Investments and Interest Bearing Deposits are reported at fair value. Fair value is defined as the amount at which a financial instrument could be exchanged in a current transaction between willing parties and is generally based upon quoted values. Reporting Investments and Interest Bearing Deposits at fair value causes fluctuations in reported investment values based on

LOUISIANA PUBLIC FACILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS - CONTINUED

DECEMBER 31, 2003

fluctuations in the investment market. Fluctuations in the fair value of Investments and Interest Bearing Deposits are recorded as realized and unrealized gains (losses) in the statement of revenues and expenses.

Receivables - Receivables are stated at their face value less the allowances for doubtful accounts. These allowances are based on the Authority's periodic evaluation of the receivable portfolio and the Authority's past loss experience. The allowances for doubtful accounts are adjusted by charges to income and decreased by charge-offs (net of recoveries).

The Authority from time to time advances funds to certain bond programs and loans funds to local governmental entities and nonprofit organizations at no interest. Accordingly, a discount is recorded between the present values of the total eventual repayments of the notes, using a rate of interest similar to the rate of return that the Authority receives on its investments. The discounts are amortized over the estimated periods that such funds will be repaid and are included in Interest Income, net in the financial statements. The majority of the receivables consist of the loans to local government entities and nonprofit organizations at no interest.

Capital Assets - Depreciation and amortization of all capital assets used by the Authority is charged as an expense against its operations. Depreciation and amortization has been provided over the assets estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Office Furniture and Equipment	3 - 7 Years
Leasehold Improvements	10 Years

All fixed assets are stated at historical costs.

Equity Classifications - Equity is classified as net assets and displayed in two components:

- Invested in capital assets, net of related debt - This component of net assets consist of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net assets component as the unspent proceeds.
- Unrestricted net assets - This component of net assets consist of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

LOUISIANA PUBLIC FACILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS - CONTINUED

DECEMBER 31, 2003

E. Operating Revenues

Program Investment Earnings - Program Investment Earnings consist primarily of residual funds of retired program bond issues. Residual proceeds represent cash and investment balances of a program bond issue that remain after the extinguishment of all obligations, including applicable arbitrage rebate to the federal government. The residuals are due to the Authority unless the issue's Indenture of Trust identifies another recipient. The residual funds are recognized as income to the Authority upon the termination of the issue's Indenture of Trust.

Project and Program Administrative Fees:

Finance Acceptance Fee - The Authority requires a financing acceptance fee usually equal to one-twentieth of one percent of the face amount of issued bonds less the financing application fee. The financing acceptance fee covers general administration expenses incurred by the Authority. This fee is due upon the closing of a bond issue and is recorded as revenue at such time.

Multi-Family Annual Issuer Fees - The Authority assesses an annual issuer fee on all multi-family bond issues. The fee is based upon a percentage of the outstanding bond principal balance as of January 1 of each year. The percentage usually is either one-twentieth of one percent for pre 1985 issues or one-tenth of one percent for issues thereafter. The fee covers general administration expenses incurred by the Authority.

Program Administrative Fees - The Authority acts as both the issuer and administrator for certain student loan and single family housing bond programs. The Authority is compensated as administrator through a fee usually based upon a percentage of either the outstanding bonds or assets of the program. The percentages vary from one-tenth of one percent to seven-tenths of one percent. The fee is assessed to cover program administrative costs incurred by the Authority.

Financing Application Fee - The Authority assesses a non-refundable financing application fee of \$500 on all project-financing applications formally submitted for consideration by the Authority's Board of Trustees.

F. Income Taxes

No provision is made for income taxes because, as a public trust whose beneficiary is the State of Louisiana, the Authority is exempt from federal and state income taxes.

LOUISIANA PUBLIC FACILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS - CONTINUED

DECEMBER 31, 2003

G. Statement of Cash Flows

For purposes of the Statement of Cash Flows, the Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

H. Estimates and Assumptions

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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported period. Actual results could differ from those estimates.

Note 2 - Cash, Cash Equivalents and Investments -

The Authority maintains cash, certificates of deposit and investment pools available for use by the Authority.

Deposits - At year-end the carrying amount of the Authority's deposits was \$7,595,778 and the bank balance was \$7,561,268.

Cash Equivalents and Investments - 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 deposits or 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 for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the Authority's name.

LOUISIANA PUBLIC FACILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS - CONTINUED

DECEMBER 31, 2003

	<u>Category</u>			<u>Amortized</u>	<u>Fair</u>	<u>Unrealized</u>
<u>Primary Government</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>Cost</u>	<u>Value</u>	<u>(Gain)</u>
<u>Deposits</u>						<u>Loss</u>
<u>Operating</u>						
Bank Accounts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Investment</u>						
<u>Management</u>						
<u>Accounts:</u>						
Time Certificates						
of Deposit with						
Various Banks	<u>3,868,748</u>	<u>-</u>	<u>-</u>	<u>3,868,748</u>	<u>3,930,766</u>	<u>(62,018)</u>
	\$ 3,868,748	\$ -	\$ -	3,868,748	3,930,766	(62,018)
<u>Deposits Not Subject to</u>						
<u>Categorization</u>						
Money Market						
Mutual Fund						
Operating Accounts				<u>3,665,012</u>	<u>3,665,012</u>	<u>-</u>
				<u>7,533,760</u>	<u>7,595,778</u>	<u>(62,018)</u>
<u>Investments</u>						
<u>Securities</u>						
Government Agency	\$ -	\$ 5,079,237	\$ -	5,079,237	5,175,304	(96,067)
Securities						
Local Government	-	257,000	-	257,000	254,583	2,417
Bonds						
	\$ -	\$ 5,336,237	\$ -	<u>5,336,237</u>	<u>5,429,887</u>	<u>(93,650)</u>
				\$ 12,869,997	\$ 13,025,665	\$ (155,668)
<u>Component Units</u>						
<u>Deposits</u>						
Operating Bank	\$ 32,247	\$ -	\$ -	\$ 32,247	\$ 32,247	\$ -
Accounts						
				\$ 12,902,244	\$ 13,057,912	\$ (155,668)

The amortized cost and fair value of time certificates of deposit with various banks and investment securities by contractual maturity, as of December 31, 2003 are as follows:

LOUISIANA PUBLIC FACILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS - CONTINUED

DECEMBER 31, 2003

	<u>Investment Securities</u>		<u>Time Certificates of Deposit</u>	
	<u>Amortized Cost</u>	<u>Fair Value</u>	<u>Amortized Cost</u>	<u>Fair Value</u>
2004	\$ -	\$ -	\$ 972,000	\$ 981,533
2005	753,252	793,205	1,061,000	1,084,366
2006	839,247	874,237	857,660	887,580
2007	752,208	760,545	397,975	405,836
2008	705,645	717,390	292,000	287,743
Thereafter	<u>2,285,885</u>	<u>2,284,510</u>	<u>288,113</u>	<u>283,708</u>
	<u>\$ 5,336,237</u>	<u>\$ 5,429,887</u>	<u>\$ 3,868,748</u>	<u>\$ 3,930,766</u>

Cash, Cash Equivalents and Investments are included in the accompanying Balance Sheet at face value under the following captions:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Total Reporting Entity (Memorandum Only)</u>
Cash and Cash Equivalents	\$ 3,665,012	\$ 32,247	\$ 3,697,259
Interest Bearing Deposits -Current	981,533	-	981,533
Investment Securities - Current	-	-	-
Interest Bearing Deposits -Long-Term	2,949,233	-	2,949,233
Investment Securities - Long-Term	<u>5,429,887</u>	<u>-</u>	<u>5,429,887</u>
	<u>\$ 13,025,665</u>	<u>\$ 32,247</u>	<u>\$ 13,057,912</u>

There were no marketable securities held by the component units at December 31, 2003.

Note 3 - Leases -

The Authority leases its office facilities under a non-cancelable operating lease agreement, which expired on February 29, 2004. Rental expense applicable to the Authority's offices included in rent expense for 2003 was \$141,469.

Future minimum lease payments under the current office lease are as follows:

2004	<u>\$ 23,578</u>
------	------------------

Subsequent to year end, the Authority renewed the lease agreement that expired on February 29, 2004. The renewed lease agreement expires on March 31, 2009, and includes a cancellable provision that allows the Authority to terminate the lease as of March 31, 2007 with written notice to the lessor on or before October 1, 2006 and a \$15,000 payment for early termination of the lease.

LOUISIANA PUBLIC FACILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS - CONTINUED

DECEMBER 31, 2003

Note 4 - Employee Retirement Plan -

The Authority sponsors a defined contribution employee retirement plan which covers all employees who have over 500 hours of service with the Authority. Contributions to the plan are subject to a minimum funding requirement of 7.50% of eligible employee salaries. Amounts above the minimum requirements are discretionary, as determined by the Board of Trustees. The contribution percentage for the year ended December 31, 2003 was 11.2%. Total contributions are included in Employees' Salaries and Benefits in the accompanying financial statements. The Authority has no additional liability upon the retirement of an employee. The total contribution for the year ended December 31, 2003, was \$80,569.

Note 5 - Litigation -

Because of the Authority's status as an issuer of bonds, it is routinely named in various litigation related to the funded projects and programs. In the opinion of management and legal counsel for the Authority, these claims are without merit because of the Authority's limited position as only a conduit for the bond issues.

Note 6 - Fair Value of Reimbursable Bond Issuance Costs, Local Government Bond Bank Receivables, Rural Development Loan Program Receivables, and Loans to Nonprofit Organizations -

In its capacity as issuer of bond Programs and Projects, the Authority may from time to time advance funds to facilitate the issuance of certain bonds. These advances or Reimbursable Bond Issuance Costs are interest free and are to be repaid with residual proceeds from the individual Programs or Projects. The Authority has also established its "Bond Bank" and "Rural Development" Programs whereby it can lower the cost of local governmental borrowings by making direct loans for a portion of the borrowing at a 0% interest rate. In addition, the Authority has loaned certain nonprofit organizations funds at 0% interest so that these organizations could secure additional funding from other sources.

The fair value for these Reimbursable Bond Issuance Costs, Local Government Bond Bank Receivables, Rural Development Loan Program Receivables, and Loans to Nonprofit Organizations are estimated using discounted cash flow analyses, with interest rates similar to the rate of return that the Authority receives on its investments which was 4.33% for the year ended December 31, 2003. The terms used in calculating the discounted cash flows are estimated based upon the maturity dates of the bond issues in which monies were advanced for the Reimbursable Bond Issuance Costs and the actual loan maturity dates for the Local Bond Bank Receivables, Rural Development Loan Program Receivables, and the Loans to Nonprofit Organizations. The carrying value and fair value of Reimbursable Bond Issuance Costs, Local Government Bond Bank Receivables, Rural Development Loan Program Receivables, and Loans to Nonprofit Organizations are as follows:

LOUISIANA PUBLIC FACILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS - CONTINUED

DECEMBER 31, 2003

	Carrying Value	Unamortized Discount	Fair Value
Reimbursable Bond Issuance Costs	\$ 149,652	\$ 18,706	\$ 130,946
Local Government Bond Bank Receivables	\$ 3,851,334	\$ 336,281	\$ 3,515,053
Rural Development Loan Program Receivables	\$ 1,471,750	\$ 32,282	\$ 1,439,468
Loans to Nonprofit Organization	\$ 2,015,000	\$ 533,126	\$ 1,481,874

The total amount of discount amortized and netted with interest income for the year ended December 31, 2003 was \$310,964.

Note 7 - Capital Assets -

Capital asset activity for the year ended December 31, 2003 was as follows:

	Balance January 1, 2003	Additions	Disposals	Balance December 31, 2003
Office furniture and Equipment	\$ 388,133	\$ 49,300	\$ 22,629	\$ 414,804
Leasehold Improvement	5,392	-	-	5,392
Total	393,525	49,300	22,629	420,196
Less accumulated depreciation:				
Office furniture and Equipment	286,613	45,812	22,629	309,796
Leasehold Improvement	4,508	530	-	5,038
Total Accumulated Depreciation	291,121	46,342	22,629	314,834
Net Capital Assets	\$ 102,404	\$ 2,958	\$ -	\$ 105,362

Total depreciation expense for the period ended December 31, 2003 is \$46,342.

LOUISIANA PUBLIC FACILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS - CONTINUED

DECEMBER 31, 2003

Note 8 - Changes in Amounts Invested in Capital Assets, Net of Related Debt -

The change in amounts invested in capital assets net of related debt can be summarized as follows:

Balance at January 1, 2003	\$ 102,404
Change in Capital Assets	<u>2,958</u>
Balance at December 31, 2003	<u>\$ 105,362</u>

Note 9 - Compensated Absences -

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. Vacation and sick leave is paid to the employees upon termination. Employees have the option to receive payment of unused vacation and sick leave in December or can choose to use the accumulated vacation and sick leave in the future. The liability for unused compensated absences is \$1,810 and is reflected in these financial statements in the Accounts Payable balance.

Note 10 - LPFA Housing Assistance Corporation -

In March 2003, the Authority created the LPFA Housing Assistance Corporation (the Corporation) for the purpose of assisting persons of low to moderate income with the purchase of homes through a lease-purchase program. The Authority issued its LPFA Variable Rate Lease Purchase Revenue Bonds, Series 2003, to fund this lease-purchase program. Under the program, a participant (the Participant) works with the independent program administrators and a financial institution to become qualified to participate in the program. Once the participant has been approved by a financial institution, the Participant then identifies a house for purchase. The Corporation then purchases the house identified by the Participant and leases the house to the Participant. The Corporation pays the purchase price of the house by signing a mortgage (the Mortgage) in an amount equal to approximately 97% of the purchase price negotiated by the seller and the Participant. The remaining approximately 3% of the purchase price is paid from the proceeds of the Lease Purchase Revenue Bonds as part of the down payment and closing costs assistance provided to the Participant by the program. The lease terms are 39 months and the Participant assumes the Mortgage at the expiration of the lease. The approximately 3% of the purchase price paid from the proceeds of the Lease Purchase Revenue Bonds is treated as a grant from the Lease Purchase Revenue Bonds to the Corporation and then a grant by the Corporation to the Participant. The mortgage loan receivable and related payments are recorded on the balance sheet of the component unit financial statement. In effect, the Corporation is merely a conduit in assisting individuals purchase their personal residences and therefore mortgage loans receivable will equal mortgage loans payable. The Authority and the Corporation do not anticipate the generation of income from the leasing and subsequent transfer of the homes to the respective Participants.

SUPPLEMENTARY INFORMATION

LOUISIANA PUBLIC FACILITIES AUTHORITY**SCHEDULE OF PER DIEMS PAID TRUSTEES****FOR THE YEAR ENDED DECEMBER 31, 2003**

Thomas A. Antoon - Chairman	\$ 7,800
Owen Brennan, Jr. - Vice Chairman	3,000
Lemon Coleman, Jr. - Secretary/Treasurer	2,800
Camille A. Cutrone - Member	2,000
P.J. "Pete" deGravelles - Member	1,800
J. Hubert Dumesnil - Member	2,400
Hermann Moyse, Jr. - Member	<u>2,400</u>
	<u>\$ 22,200</u>

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



Randy J. Bonnezaze, CPA*
Joseph D. Richard, Jr., CPA*
Ronnie E. Stamper, CPA*
Fernand P. Genre, CPA*
Stephen M. Huggins, CPA*
Monica L. Zumo, CPA*
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April 2, 2004

To the Board of Trustees
Louisiana Public Facilities Authority
Baton Rouge, Louisiana

We have audited the financial statements of the Louisiana Public Facilities Authority (the Authority) as of and for the year ended December 31, 2003, and have issued our report thereon dated April 2, 2004. 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.

Compliance

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and 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 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 instance of noncompliance that would be required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the 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 operation that we consider to be material weaknesses.

This report is intended solely for the information of the Board of Trustees, management and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

Hannu J. Bourgeois, CPA

LOUISIANA PUBLIC FACILITIES AUTHORITY
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDING

YEAR ENDED DECEMBER 31, 2003

Finding:

In the prior year, we noted the Authority paid dues as members of numerous organizations. Some of these organizations may engage in lobbying efforts and endorse political candidates and/or propositions on a regular basis, even though this is not their main mission. Examples include membership in the Greater Baton Rouge Chamber of Commerce and the Council for a Better Louisiana.

Article 11, Section 4 of the Louisiana Constitution states that no public funds shall be used to urge any elector to vote for or against any candidate or proposition, or be appropriated to a candidate or political organization. This provision shall not prohibit the use of public funds for dissemination of factual information relative to a proposition appearing on an election ballot.

Therefore, based on this Article of the Louisiana Constitution, the Authority, could be in possible noncompliance due to its memberships in certain organizations.

Recommendation:

We recommended that the Authority investigate all memberships to determine which organizations actually engage in lobbying efforts, endorse political candidates, and/or propositions. For those organizations the Authority should request and receive a written confirmation that the Authority's dues would not be spent on these activities. If such confirmation cannot be obtained, the Authority should refrain from joining that organization.

Corrective Action Taken:

We noted that no membership dues were paid to organizations that possibly engage in lobbying efforts or endorse political candidates and/or propositions during the current year.

**LOUISIANA PUBLIC FACILITIES AUTHORITY
STATE OF LOUISIANA
ANNUAL FINANCIAL STATEMENTS**

Louisiana Public Facilities Authority
STATE OF LOUISIANA
Annual Financial Statements
December 31, 2003

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MD&A

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STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ending December 31, 2003

Louisiana Public Facilities Authority

Division of Administration
Office of Statewide Reporting
and Accounting Policy
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

AFFIDAVIT

Personally came and appeared before the undersigned authority, James W. Parks, II (Name) President (Title) of Louisiana Public Facilities Authority (Agency) who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of Louisiana Public Facilities Authority (agency) at December 31, 2003 and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before me, this _____ day of _____, 20_____.

Signature of Agency Official

NOTARY PUBLIC

Prepared by: _____

Title: _____

Telephone No.: _____

Date: _____

**STATE OF LOUISIANA
LOUISIANA PUBLIC FACILITIES AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2003**

Please refer to the Management Discussion and Analysis of the Louisiana Public Facilities Authority as it appears on pages 3 thru 8 in the introductory section of the basic financial statements for the year ending December 31, 2003.

**STATE OF LOUISIANA
LOUISIANA PUBLIC FACILITIES AUTHORITY
BALANCE SHEET
AS OF DECEMBER 31, 2003**

ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents (Note C1)	\$ 7,628,025
Investments (Note C2)	
Receivables (net of allowance for doubtful accounts)(Note U)	3,683,490
Due from other funds (Note Y)	
Due from federal government	
Inventories	
Prepayments	18,144
Notes receivable	
Other current assets	
Total current assets	11,329,659
NONCURRENT ASSETS:	
Restricted assets (Note F):	
Cash	
Investments	
Receivables	
Notes receivable	
Capital assets (net of depreciation)(Note D)	
Land	
Buildings and improvements	354
Machinery and equipment	105,008
Infrastructure	
Construction in progress	
Other noncurrent assets	
Investments (Note C2)	5,429,887
Receivables (net of allowance for doubtful accounts)(Note U)	5,035,505
Total noncurrent assets	10,570,754
Total assets	\$ 21,900,413
LIABILITIES	
CURRENT LIABILITIES:	
Accounts payable and accruals (Note V)	\$ 116,463
Due to other funds (Note Y)	
Due to federal government	
Deferred revenues	
Amounts held in custody for others	
Other current liabilities	
Current portion of long-term liabilities:	
Contracts payable	
Reimbursement contracts payable	
Compensated absences payable (Note K)	
Capital lease obligations - (Note J)	
Notes payable	7,552
Liabilities payable from restricted assets (Note Z)	
Bonds payable	
Other long-term liabilities	
Total current liabilities	124,015
NON-CURRENT LIABILITIES:	
Contracts payable	
Reimbursement contracts payable	
Compensated absences payable (Note K)	
Capital lease obligations (Note J)	
Notes payable	656,852
Liabilities payable from restricted assets (Note Z)	
Bonds payable	
Other long-term liabilities	
Total long-term liabilities	656,852
Total liabilities	780,867
NET ASSETS	
Invested in capital assets, net of related debt	105,362
Restricted for:	
Capital projects	
Debt service	
Unemployment compensation	
Other specific purposes	
Unrestricted	21,014,184
Total net assets	21,119,546
Total liabilities and net assets	\$ 21,900,413

The accompanying notes are an integral part of this financial statement.

**STATE OF LOUISIANA
LOUISIANA PUBLIC FACILITIES AUTHORITY
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2003**

OPERATING REVENUES	
Sales of commodities and services	\$ _____
Assessments	_____
Use of money and property	_____
Licenses, permits, and fees	_____
Other	3,690,666
Total operating revenues	<u>3,690,666</u>
OPERATING EXPENSES	
Cost of sales and services	_____
Administrative	2,029,931
Depreciation	46,342
Amortization	_____
Total operating expenses	<u>2,076,273</u>
Operating income(loss)	<u>1,614,393</u>
NON-OPERATING REVENUES(EXPENSES)	
State appropriations	_____
Intergovernmental revenues (expenses)	_____
Taxes	_____
Use of money and property	_____
Gain (loss) on disposal of fixed assets	_____
Federal grants	_____
Interest revenue (expense)	448,186
Other	(88,441)
Total non-operating revenues(expenses)	<u>359,745</u>
Income(loss) before contributions and transfers	<u>1,974,138</u>
Capital contributions	_____
Transfers in	_____
Transfers out	_____
Change in net assets	<u>1,974,138</u>
Total net assets – beginning as restated	<u>19,145,408</u>
Total net assets – ending	<u>\$ 21,119,546</u>

The accompanying notes are an integral part of this financial statement.

**STATE OF LOUISIANA
LOUISIANA PUBLIC FACILITIES AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Component Unit:				
LA Capital Funding Corp	597	-		(597)
LA Equipment Finance Corp	606	-		(606)
LPFA Housing Assistance Corp	24,783	24,783		-
	<u>\$ 25,986</u>	<u>\$ 24,783</u>	<u>\$ -</u>	<u>\$ (1,203)</u>
General revenues:				
Taxes				
State appropriations				
Grants and contributions not restricted to specific programs				
Interest				
Miscellaneous				
Special items				
Transfers				
Total general revenues, special items, and transfers				0
Change in net assets				(1,203)
Net assets - beginning				33,450
Net assets - ending				<u>\$ 32,247</u>

The accompanying notes are an integral part of this financial statement.

**STATE OF LOUISIANA
LOUISIANA PUBLIC FACILITIES AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2003**

Cash flows from operating activities		
Cash received from customers	\$ <u>3,417,295</u>	
Cash payments to suppliers for goods and services	<u>(632,284)</u>	
Cash payments to employees for services	<u>(923,227)</u>	
Payments in lieu of taxes		
Internal activity-payments to other funds		
Claims paid to outsiders		
Other operating revenues(expenses)	<u>(459,734)</u>	
Net cash provided(used) by operating activities		<u>1,402,050</u>
Cash flows from non-capital financing activities		
State appropriations		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of mortgages	<u>665,170</u>	
Principal paid on mortgage payable	<u>(766)</u>	
Interest paid on notes payable		
Operating grants received		
Other - Mortgage Loans Issued	<u>(665,170)</u>	
Other - Repayment of Mortgage Loans Issued	<u>766</u>	
Transfers Out		
Net cash provided(used) by non-capital financing activities		<u>0</u>
Cash flows from capital and related financing activities		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets	<u>(49,300)</u>	
Proceeds from sale of capital assets		
Capital contributions		
Other		
Net cash provided(used) by capital and related financing activities		<u>(49,300)</u>
Cash flows from investing activities		
Purchases of investment securities	<u>(2,509,015)</u>	
Proceeds from sale of investment securities	<u>1,634,478</u>	
Interest and dividends earned on investment securities	<u>448,186</u>	
Net cash provided(used) by investing activities		<u>(426,351)</u>
Net increase(decrease) in cash and cash equivalents		<u>926,399</u>
Cash and cash equivalents at beginning of year		<u>2,770,860</u>
Cash and cash equivalents at end of year		<u>\$ 3,697,259</u>

The accompanying notes are an integral part of this statement.

**STATE OF LOUISIANA
LOUISIANA PUBLIC FACILITIES AUTHORITY
STATEMENT OF CASH FLOWS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2003**

Reconciliation of operating income(loss) to net cash provided(used) by operating activities:

Operating income(loss)			\$ <u>1,614,393</u>
Adjustments to reconcile operating income(loss) to net cash provided			
Depreciation/amortization		<u>46,342</u>	
Provision for uncollectible accounts		<u>(1,002)</u>	
Loss on sale of investments		<u>(273,371)</u>	
Changes in assets and liabilities:			
(Increase)decrease in accounts receivable, net		<u>(4,424)</u>	
(Increase)decrease in due from other funds		<u>20,112</u>	
(Increase)decrease in prepayments		<u></u>	
(Increase)decrease in inventories		<u></u>	
(Increase)decrease in other assets		<u></u>	
Increase(decrease) in accounts payable and accruals		<u></u>	
Increase(decrease) in accrued payroll and related benefits		<u></u>	
Increase(decrease) in compensated absences payable		<u></u>	
Increase(decrease) in due to other funds		<u></u>	
Increase(decrease) in deferred revenues		<u></u>	
Increase(decrease) in other liabilities		<u></u>	
 Net cash provided(used) by operating activities			 \$ <u>1,402,050</u>

Schedule of noncash investing, capital, and financing activities:

Borrowing under capital lease			
Contributions of fixed assets			
Purchases of equipment on account			
Asset trade-ins			
Other (specify)			
Unrealized losses on investments		<u>(87,439)</u>	
Amortization of discounts on receivables based on imputed interest of 4.33%; netted with interest income		<u>310,964</u>	
 Total noncash investing, capital, and financing activities:		 <u>223,525</u>	

The accompanying notes are an integral part of this statement.

STATE OF LOUISIANA
Louisiana Public Facilities Authority
Notes to the Financial Statements
As of and for the year ended December 31, 2003

INTRODUCTION

The Louisiana Public Facilities Authority (the Authority), a public trust, was created on August 31, 1974 by the Public Facilities Corporation, a Louisiana corporation, as settler under an Indenture of Trust in accordance with the provisions of the Louisiana Public Trust Act R.S. 9:2341 et seq. The Authority operates under a Board of Trustees.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of Louisiana Public Facilities Authority (the Authority) present information only as to the transactions of the programs of the Authority as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Authority are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

STATE OF LOUISIANA
Louisiana Public Facilities Authority
Notes to the Financial Statements
As of and for the year ended December 31, 2003

B. BUDGETARY ACCOUNTING

The Authority uses the following budgetary practices:

Prior to October 2, 2001 the Authority prepared the annual budget for internal management purposes and the budget is based on what is expected to be collected during the fiscal year. The Board of Trustees approved the budget. In addition, certain expenses were approved as necessary by the Board of Trustees before payment.

As of October 2, 2001, as a result of a Louisiana Supreme Court decision in "Louisiana Public Facilities Authority versus Murphy J. "Mike" Foster Jr.", the Louisiana Joint Legislative Committee on the Budget approves the operating budget of the Louisiana Public Facilities Authority.

The Authority is not required to present a budget comparison in its financial statements.

	<u>APPROPRIATIONS</u>
Original approved budget	\$ <u>1,969,655</u>
Amendments:	<u>275,000</u>
Final approved budget	\$ <u><u>2,244,655</u></u>

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (If all agency cash and investments are deposited in the State Treasury, disregard Note C.)

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit.

For the purpose of the Statement of Cash Flows, all highly liquid investments (including restricted assets with a maturity of three months or less when purchased) are considered to be cash equivalents.

STATE OF LOUISIANA
Louisiana Public Facilities Authority
Notes to the Financial Statements
As of and for the year ended December 31, 2003

Deposits in bank accounts are stated at cost, which approximates market. The deposits at December 31, 2003 were as follows:

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Mutual Fund Money Market Accounts</u>	<u>Total</u>
Deposits in bank accounts per balance sheet	\$ <u>32,247</u>	\$ <u>3,930,766</u>	\$ <u>3,665,012</u>	\$ <u>7,628,025</u>
Bank balances (category 3 only, if any)				
Identify amounts reported as category 3 by the descriptions below:				
a. Uninsured and uncollateralized	\$ -	\$ -	\$ -	\$ -
b. Uninsured and collateralized with securities held by the pledging institution	-	-	-	-
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent but not in the entity's name	-	-	-	-
Total category 3 bank balances	\$ -	\$ -	\$ -	\$ -
Total bank balances (regardless of category)	\$ <u>58,272</u>	\$ <u>3,868,686</u>	\$ <u>3,666,557</u>	\$ <u>7,593,515</u>

GASB Statement 40 only requires any category 3 deposits to be disclosed in the custodial credit risk section of Note C. If an entity has deposits exposed to custodial credit risk category 3, it should disclose the amount of those balances, the fact that they are uninsured, and whether the balances are either uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

NOTE: The "Total Bank Balances" will not necessarily equal the "Deposits in Bank Account per Balance Sheet".

The following is a breakdown by banking institution, program, account number, and amount of the balances shown above:

<u>Banking institution</u>	<u>Program</u>	<u>Amount</u>
1. <u>Hibernia</u>	<u>Demand Deposits</u>	\$ <u>57,680</u>
2. <u>Bank One</u>	<u>Cash</u>	<u>592</u>
3. <u>Bank One</u>	<u>Certificates of Deposit</u>	<u>2,999,635</u>
4. <u>Merrill Lynch</u>	<u>Certificates of Deposit</u>	<u>571,051</u>
5. <u>Salomon Smith Barney</u>	<u>Certificates of Deposit</u>	<u>298,000</u>
6. <u>Hibernia</u>	<u>Money Markets</u>	<u>925,100</u>
7. <u>Bank One</u>	<u>Money Markets</u>	<u>2,561,671</u>
8. <u>Merrill Lynch</u>	<u>Money Markets</u>	<u>134,968</u>
9. <u>Salomon Smith Barney</u>	<u>Money Markets</u>	<u>44,818</u>
Total		\$ <u>7,593,515</u>

~~Were uncollateralized securities fitting the description in (3) above during the year significantly greater than at (last day of your fiscal year)? If yes, attach a statement listing the amount(s) and a reason for this occurrence. Disclosure no longer required~~

STATE OF LOUISIANA
Louisiana Public Facilities Authority
Notes to the Financial Statements
As of and for the year ended December 31, 2003

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the balance sheet to amounts reported this note, list below any cash in treasury and petty cash that are included on the balance sheet.

Cash in State Treasury	\$	-	
Petty cash	\$	-	

2. INVESTMENTS

Upon implementation of GASB Statement 31, reported amount and fair value will often be the same number.

The Louisiana Public Facilities Authority does (does not) maintain investment accounts as authorized by the State of Louisiana.

Investments can be classified according to the level of risk to the entity. Using the following categories, list each type of investment disclosing the carrying amount, market value, and applicable category of risk. **Beginning with fiscal year ending June 30, 2004, only risk category 3 has to be broken out separately. However, the total reported amount and total market value still must be included.**

Category 1 - Insured or registered in the entity's name, or securities held by the entity or its agent in the entity's name.

Category 2 - Uninsured and unregistered with securities held by the counterparty's trust department or agent in the entity's name.

Category 3 - Unsecured and unregistered with securities held by the counterparty, or by its trust department or agent but not in the entity's name.

<u>Type of Investment</u>	<u>Amount Reported in Risk</u>			
	<u>Category 3, if Any</u>			
	<u>Held by Counterparty</u>	<u>Held by Counterparty's Trust Dept. or Agent <u>Not in</u> <u>Entity's Name</u></u>	<u>Amortized Costs (All Categories)</u>	<u>Total Fair Value (All Categories)</u>
U.S. Government securities	\$ -	\$ -	\$ 5,079,237	\$ 5,175,304
Local Government Bond	-	-	257,000	254,583
Total investments	-	-	\$ 5,336,237	\$ 5,429,887

STATE OF LOUISIANA
Louisiana Public Facilities Authority
Notes to the Financial Statements
As of and for the year ended December 31, 2003

3. Other Disclosures Required for Investments

- a. Investments in pools managed by other governments or mutual funds _____

- b. Securities underlying reverse repurchase agreements _____

- c. Unrealized investment losses _____

- d. Commitments as of December 31, 2003 (fiscal close), to resell securities under yield maintenance repurchase agreements:
 - 1. Carrying amount and market value at June 30 of securities to be resold _____

 - 2. Description of the terms of the agreement _____

- e. Investment types owned during the year but not owned as of December 31, 2003 _____

- f. Losses during the year due to default by counterparties to deposit or investment transactions _____

- g. Amounts recovered from prior-period losses which are not shown separately on the balance sheet _____

Legal or Contractual Provisions for Reverse Repurchase Agreements

- h. Source of legal or contractual authorization for use of reverse repurchase agreements _____

- i. Significant violations of legal or contractual provisions for reverse repurchase agreements that occurred during the year _____

Reverse Repurchase Agreements as of Year-End

- j. Credit risk related to the reverse repurchase agreements outstanding at year end, that is, the aggregate amount of reverse repurchase agreement obligations including accrued interest compared to aggregate market value of the securities underlying those agreements including interest _____

- k. Commitments on December 31, 2003 (fiscal close), to repurchase securities under yield maintenance agreements _____

- l. Market value on December 31, 2003 (fiscal close), of the securities to be repurchased _____

- m. Description of the terms of the agreements to repurchase _____

STATE OF LOUISIANA
Louisiana Public Facilities Authority
Notes to the Financial Statements
As of and for the year ended December 31, 2003

- n. Losses recognized during the year due to default by counterparties to reverse repurchase agreements

- o. Amounts recovered from prior-period losses which are not separately shown on the operating statement

Fair Value Disclosures

- p. Methods and significant assumptions used to estimate fair value of investments, if fair value is not based on quoted market prices

- q. Basis for determining which investments, if any, are reported at amortized cost

- r. For investments in external investment pools that are not SEC-registered, a brief description of any regulatory oversight for the pool

- s. Whether the fair value of your investment in the external investment pool is the same as the value of the pool shares

- t. Any involuntary participation in an external investment pool

- u. Whether you are unable to obtain information from a pool sponsor to determine the fair value of your investment in the pool, methods used and significant assumptions made in determining that fair value and the reasons for having had to make such an estimate

- v. Any income from investments associated with one fund that is assigned to another fund

STATE OF LOUISIANA
Louisiana Public Facilities Authority
Notes to the Financial Statements
As of and for the year ended December 31, 2003

D. CAPITAL ASSETS – INCLUDING CAPITAL LEASES ASSETS

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity are charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight-line method over the useful lives of the assets.

	Year ended December 31, 2003						
	Balance 12/31/2002	Additions	Transfers *	Retirements	Balance 12/31/2003	Prior Period Adjustment	Adjusted Balance 12/31/2003
Capital assets not being depreciated							
Land		--	--	--	--	--	--
Non-depreciable land improvements	--	--	--	--	--	--	--
Capitalized collections	--	--	--	--	--	--	--
Construction in progress	--	--	--	--	--	--	--
Total capital assets not being depreciated	--	--	--	--	--	--	--
Other capital assets							
Furniture, fixtures, and equipment	388,133	49,300	--	(22,629)	414,804	--	414,804
Less accumulated depreciation	(286,613)	(45,812)	--	22,629	(309,796)	--	(309,796)
Total furniture, fixtures, and equipment	101,520	3,488	--	--	105,008	--	105,008
Buildings and improvements	5,392	--	--	--	5,392	--	5,392
Less accumulated depreciation	(4,508)	(530)	--	--	(5,038)	--	(5,038)
Total buildings and improvements	884	(530)	--	--	354	--	354
Depreciable land improvements	--	--	--	--	--	--	--
Less accumulated depreciation	--	--	--	--	--	--	--
Total depreciable land improvements	--	--	--	--	--	--	--
Infrastructure	--	--	--	--	--	--	--
Less accumulated depreciation	--	--	--	--	--	--	--
Total infrastructure	--	--	--	--	--	--	--
Total other capital assets	102,404	2,958	--	--	105,362	--	105,362
Capital Asset Summary:							
Capital assets not being depreciated	--	--	--	--	--	--	--
Other capital assets, at cost	393,525	49,300	--	(22,629)	420,196	--	420,196
Total cost of capital assets	393,525	49,300	--	(22,629)	420,196	--	420,196
Less accumulated depreciation	(291,121)	(46,342)	--	22,629	(314,834)	--	(314,834)
Capital assets, net	102,404	2,958	--	--	105,362	--	105,362

* Should be used only for those completed projects coming out of construction-in-progress to fixed assets; not associated with transfers reported elsewhere in this packet.

STATE OF LOUISIANA
Louisiana Public Facilities Authority
Notes to the Financial Statements
As of and for the year ended December 31, 2003

E. INVENTORIES

The Authority does not maintain any inventories.

F. RESTRICTED ASSETS

Restricted assets in the Louisiana Public Facilities Authority at December 31, 2003, reflected at \$0 in the current assets section on Statement A.

Restricted assets in the Louisiana Public Facilities Authority at December 31, 2003, reflected at \$0 in the non-current assets section on Statement A.

G. LEAVE

1. COMPENSATED ABSENCES

The Louisiana Public Facilities Authority has the following policy on annual and sick leave:

1. COMPENSATED ABSENCES

The Louisiana Public Facilities Authority has the following policy on annual and sick leave:

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. Vacation and sick leave is paid to the employees upon termination. Employees have the option to receive payment of unused vacation and sick leave in December or can choose to use the accumulate vacation and sick leave in the future. The liability for unused compensated absences is reflected in these financial statements in the Accounts Payable balance.

2. COMPENSATORY LEAVE

The Authority does not have compensatory leave balances remaining at year-end. All nonexempt employees are paid for overtime work during the pay period in which the work was performed.

H. RETIREMENT SYSTEM

The Authority sponsors a defined contribution employee retirement plan which covers all employees who have over 500 hours of service with the Authority. Contributions to the plan are subject to a minimum funding requirement of 7.50% of eligible employee salaries. Amounts above the minimum requirements are discretionary, as determined by the Board of Trustees. The contribution percentage for the year ended December 31, 2003 was 11.2%. Total contributions are included in Employees' Salaries and Benefits in the accompanying financial statements. The Authority has no additional liability upon the retirement of an employee. The total contribution for the year ended December 31, 2003 was \$80,569.

I. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Louisiana Public Facilities Authority does not have any post retirement health care and life insurance benefits available for the employees at December 31, 2003.

STATE OF LOUISIANA
Louisiana Public Facilities Authority
Notes to the Financial Statements
As of and for the year ended December 31, 2003

J. LEASES

1. OPERATING LEASES

The total payments for operating leases during fiscal year 2003 amounted to \$141,469. A schedule of payments for operating leases follows:

<u>Nature of lease</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009- 2013</u>	<u>FY2014- 2018</u>
Office Space	\$ 23,578	\$	\$	\$	\$	\$	\$
Total	\$ 23,578	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Subsequent to year end, the authority renewed the lease agreement that expired on February 29, 2004. The renewed lease agreement expires on March 31, 2009, and includes a cancelable provision that allows the authority to terminate the lease as of March 31, 2007 with written notice to the lessor on or before October 1, 2006 and a \$15,000 payment for early termination of the lease.

2. CAPITAL LEASES

Capital leases are (are not) recognized in the accompanying financial statements. The amounts to be accrued for capital leases and the disclosures required for capital and operating leases by National Council on Governmental Accounting (NCGA) Statement No. 5, as adopted by the Governmental Accounting Standards Board, and FASB 13 should be reported on the following schedules:

Capital leases are defined as an arrangement in which any one of the following conditions apply: (1) ownership transfers by the end of the lease, (2) the lease contains a bargain purchase option, (3) the lease term is 75% of the asset life or, (4) the discounted minimum lease payments are 90% of the fair market value of the asset.

SCHEDULE A - TOTAL AGENCY CAPITAL LEASES EXCEPT LEAF

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$	\$	\$
b. Equipment			
c. Land			
Total	\$ 0	\$ 0	\$ 0

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest:

STATE OF LOUISIANA
Louisiana Public Facilities Authority
Notes to the Financial Statements
As of and for the year ended December 31, 2003

Year ending December 31, :	<u>Total</u>
2004	\$ _____
2005	_____
2006	_____
2007	_____
2008	_____
2009-2013	_____
2014-2018	_____
2019-2023	_____
Total minimum lease payments	_____ 0
Less amounts representing executory costs	_____
Net minimum lease payments	_____ 0
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____ 0

SCHEDULE B – NEW AGENCY CAPITAL LEASES EXCEPT LEAF

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____ 0	\$ _____ 0	\$ _____ 0

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest:

STATE OF LOUISIANA
Louisiana Public Facilities Authority
Notes to the Financial Statements
As of and for the year ended December 31, 2003

Year ending December 31, :	<u>Total</u>
2004	\$ _____
2005	_____
2006	_____
2007	_____
2008	_____
2009-2013	_____
2014-2018	_____
2019-2023	_____
Total minimum lease payments	_____ 0
Less amounts representing executory costs	_____
Net minimum lease payments	_____ 0
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____ 0

SCHEDULE C - LEAF CAPITAL LEASES

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____ 0	\$ _____ 0	\$ _____ 0

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest:

STATE OF LOUISIANA
Louisiana Public Facilities Authority
Notes to the Financial Statements
As of and for the year ended December 31, 2003

Year ending Decvember 31, :	<u>Total</u>
2004	\$ _____
2005	_____
2006	_____
2007	_____
2008	_____
2009-2013	_____
2014-2018	_____
2019-2023	_____
Total minimum lease payments	_____ 0
Less amounts representing executory costs	_____
Net minimum lease payments	_____ 0
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____ 0

3. LESSOR DIRECT FINANCING LEASES

A lease is classified as a direct financing lease (1) when any one of the four capitalization criteria used to define a capital lease for the lessee is met and (2) when both the following criteria are satisfied:

- Collectibility of the minimum lease payments is reasonably predictable.
- No important uncertainties surround the amount of the unreimbursable costs yet to be incurred by the lessor under the lease.

Provide a general description of the direct financing agreement, and complete the chart below:

<u>Composition of lease</u>	<u>Date of lease</u>	<u>Minimum lease payment receivable</u>
a. Office space	_____	\$ _____
b. Equipment	_____	_____
c. Land	_____	_____
Less amounts representing executory costs		_____
Minimum lease payment receivable		_____ 0
Less allowance for doubtful accounts		_____
Net minimum lease payments receivable		_____ 0
Less estimated residual value of leased property		_____
Less unearned income		_____
Net investment in direct financing lease		\$ _____ 0

STATE OF LOUISIANA
Louisiana Public Facilities Authority
Notes to the Financial Statements
As of and for the year ended December 31, 2003

Minimum lease payments do not include contingent rentals which may be received as stipulated in the lease contracts. Contingent rental payments occur if for example the use of the equipment, land, or building etc., exceeds a certain level of activity each year. Contingent rentals received for fiscal year 2003 were \$0 for office space, \$ for equipment, and \$0 for land.

The following is a schedule by year of minimum leases receivable for the remaining fiscal years of the lease as of December 31, 2003:

Year ending _____:	
2004	\$ _____
2005	_____
2006	_____
2007	_____
2008	_____
2009-2013	_____
2014-2018	_____
2019-2023	_____
Total	\$ _____ 0

4. LESSOR – OPERATING LEASE

When a lease agreement does not satisfy at least one of the four criteria (common to both lessee and lessor accounting), and both of the criteria for a lessor (collectibility and no uncertain reimbursable costs), the lease is classified as an operating lease. In an operating lease, there is no simulated sale and the lessor simply records rent revenues as they become measurable and available.

Provide the cost and carrying amount, if different, of property on lease or held for lease organized by major class of property and the amount of accumulated depreciation as of December 31, 2003:

	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Carrying amount</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____ 0	\$ _____ 0	\$ _____ 0

The following is a schedule by years of minimum future rentals on non-cancelable operating lease(s) as of December 31, 2003:

STATE OF LOUISIANA
Louisiana Public Facilities Authority
Notes to the Financial Statements
As of and for the year ended December 31, 2003

Year Ended December 31,	Office Space	Equipment	Land	Other	Total
2004	\$	\$	\$	\$	\$ 0
2005					0
2006					0
2007					0
2008					0
2009-2013					0
2014-2018					0
Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Contingent rentals received from operating leases received for your fiscal year was \$0 for office space, \$0 for equipment, and \$0 for land.

K. LONG-TERM LIABILITIES

	Year ended December 31, 2003				Amounts due within one year
	Balance Dec 31, 2002	Additions	Reductions	Balance Dec 31, 2003	
Bonds and notes payable:					
Notes payable	\$ --	\$ 665,170	\$ 766	\$ 664,404	\$ 7,552
Reimbursement contracts payable				--	
Bonds payable				--	
Total notes and bonds	<u>--</u>	<u>665,170</u>	<u>766</u>	<u>664,404</u>	<u>7,552</u>
Other liabilities:					
Contracts payable				--	
Compensated absences payable				--	
Capital lease obligations				--	
Liabilities payable from restricted assets				--	
Claims and litigation				--	
Other long-term liabilities				--	
Total other liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total long-term liabilities	<u><u>--</u></u>	<u><u>665,170</u></u>	<u><u>766</u></u>	<u><u>664,404</u></u>	<u><u>7,552</u></u>

The following is a summary of long-term debt transactions of the entity for the year ended December 31, 2003:

In March 2003, the Authority created the LPFA Housing Assistance Corporation (the Corporation) for the purpose of assisting persons of low to moderate income with the purchase of homes through a lease-purchase program. Under the program, the Corporation purchases and signs a mortgage and enters into a house-purchase agreement with a qualified person. The funding for the mortgage loan is provided by the LPFA Variable Rate Lease Purchase Revenue Bonds, Series 2003. The lease terms are for 39 months and the tenant assumes the mortgage at the expiration of the lease. The mortgage loan receivable and related payables are recorded on the balance sheet of the component unit financial statement. In effect, the Corporation is merely a conduit in assisting individuals purchase their personal residences and therefore Mortgage Loans Receivable will equal Mortgage Loans Payable.

STATE OF LOUISIANA
Louisiana Public Facilities Authority
Notes to the Financial Statements
As of and for the year ended December 31, 2003

L. LITIGATION

Because of the Authority's status as an issuer of bonds, it is routinely named in various litigation related to the funded projects and programs. In the opinion of management and legal counsel for the Authority, these claims are without merit because of the Authority's limited position as only a conduit for the bond issues.

M. RELATED PARTY TRANSACTIONS

(FASB 57 requires disclosure of the description of the relationship, the transaction(s), the dollar amount of the transaction(s) and any amounts due to or from which result from related party transactions. List all related party transactions).

None

N. ACCOUNTING CHANGES

Accounting changes made during the year involved a change in accounting _____ (principle, estimate, error or entity). The effect of the change is being shown in _____.

O. IN-KIND CONTRIBUTIONS

(List all in-kind contributions that are not included in the accompanying financial statements.)

<u>In-Kind Contributions</u>	<u>Cost/Estimated Cost/Fair Market Value/As Determined by the Grantor</u>
_____	\$ _____
_____	_____
_____	_____
_____	_____
_____	_____
Total	\$ _____ 0

P. DEFEASED ISSUES

The Authority does not have any defeased issues as of December 31, 2003.

Q. COOPERATIVE ENDEAVORS

LRS 33:9022 defines cooperative endeavors as any form of economic development assistance between and among the state of Louisiana, its local governmental subdivisions, political corporations, public benefit corporations, the United States government or its agencies, or any public or private association, corporation, or individual. The term cooperative endeavor includes cooperative financing, cooperative development, or any form of cooperative economic development activity. The state of Louisiana has entered into cooperative endeavor agreements with certain entities aimed at developing the economy of the state.

At December 31, 2003, the Authority did not have any liability under cooperative endeavor agreements.

STATE OF LOUISIANA
Louisiana Public Facilities Authority
Notes to the Financial Statements
As of and for the year ended December 31, 2003

U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at December 31, 2003, were as follows:

Activity	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
Local Government Bond Bank	\$	\$	\$	\$ 3,851,334	\$ 3,851,334
Loans to Nonprofit Organizations				2,015,000	2,015,000
Rural Development Loans				1,471,750	1,471,750
Reimbursable Bond Insurance				166,652	166,652
Program Administrative Fees				306,442	306,442
Other				210,588	210,588
Mortgage Loan Receivable				664,404	664,404
Program Investment Earnings				49,825	49,825
Gross receivables	\$ 0	\$ 0	\$ 0	\$ 8,735,995	\$ 8,735,995
Less allowance for uncollectible accounts	0	0	0	17,000	17,000
Receivables, net	\$ 0	\$ 0	\$ 0	\$ 8,718,995	\$ 8,718,995
 Amounts not scheduled for collection during the subsequent year	 \$	 \$	 \$	 \$ 5,035,505	 \$ 5,035,505

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at December 31, 2003, were as follows:

Activity	Vendors	Salaries and Benefits	Accumulated Leave	Other Payables	Total Payables
	\$ 32,063	\$ 80,569	\$ 1,810	\$ 2,021	\$ 116,463
					0
Total payables	\$ 32,063	\$ 80,569	\$ 1,810	\$ 2,021	\$ 116,463

W. SUBSEQUENT EVENTS

There were no material event(s) affecting the Louisiana Public Facilities Authority between the close of the fiscal period and issuance of the financial statements.

STATE OF LOUISIANA
Louisiana Public Facilities Authority
Notes to the Financial Statements
As of and for the year ended December 31, 2003

X. SEGMENT INFORMATION

Governments that report enterprise funds or that use enterprise fund accounting and reporting standards to report their activities are required to present segment information for those activities in the notes to the financial statements. For the purposes of this disclosure, a segment is an identifiable activity (or group of activities), reported as or within an enterprise fund or another stand-alone entity that has one or more bonds or other debt instruments outstanding, with a revenue stream pledged in support of that debt. In addition, the activity's revenues, expenses, gains and losses, assets, and liabilities are required to be accounted for separately. This requirement for separate accounting applies if imposed by an external party, such as accounting and reporting requirements set forth in bond indentures. Disclosure requirements for each segment should be met by identifying the types of goods and services provided and by presenting condensed financial statements in the notes, including the elements in A through C below (GASB 34, paragraph 122, as modified by GASB 37, paragraph 17.)

Type of goods or services provided by the segment facilitate bond placement and student loans.

A. Condensed balance sheet:

- (1) Total assets – distinguishing between current assets, capital assets, and other assets. Amounts receivable from other funds or BTA's should be reported separately.
- (2) Total liabilities – distinguishing between current and long-term amounts. Amounts payable to other funds or BTA's should be reported separately.
- (3) Total net assets – distinguishing among restricted (separately reporting expendable and nonexpendable components); unrestricted; and amounts invested in capital assets, net of related debt.

Condensed Balance sheet:

	<u>Segment #1</u>	<u>Segment #2</u>
Current assets	\$ 8,380,426	\$ _____
Due from other funds	_____	_____
Capital assets	105,362	_____
Other assets	13,414,625	_____
Current liabilities	124,015	_____
Due to other funds	_____	_____
Long-term liabilities	656,852	_____
Restricted net assets	_____	_____
Unrestricted net assets	21,014,184	_____
Invested in capital assets, net of related debt	105,362	_____

B. Condensed statement of revenues, expenses, and changes in net assets:

- (1) Operating revenues (by major source).
- (2) Operating expenses. Depreciation (including any amortization) should be identified separately.
- (3) Operating income (loss).
- (4) Nonoperating revenues (expenses) – with separate reporting of major revenues and expenses.
- (5) Capital contributions and additions to permanent and term endowments.
- (6) Special and extraordinary items.
- (7) Transfers
- (8) Change in net assets.
- (9) Beginning net assets.
- (10) Ending net assets.

STATE OF LOUISIANA
Louisiana Public Facilities Authority
Notes to the Financial Statements
As of and for the year ended December 31, 2003

Condensed Statement of Revenues, Expenses, and Changes in Net Assets:

	<u>Segment #1</u>	<u>Segment #2</u>
Operating revenues	\$ 3,690,666	\$ _____
Operating expenses	<u>2,029,931</u>	<u>_____</u>
Depreciation and amortization	46,342	_____
Operating income (loss)	<u>1,614,393</u>	<u>0</u>
Nonoperating revenues (expenses)	<u>359,745</u>	<u>_____</u>
Capital contributions/additions to permanent and term endowments	_____	_____
Special and extraordinary items	_____	_____
Transfers in	_____	_____
Transfers out	_____	_____
Change in net assets	<u>1,974,138</u>	<u>0</u>
Beginning net assets	<u>19,145,408</u>	<u>_____</u>
Ending net assets	<u>21,119,546</u>	<u>0</u>

C. Condensed statement of cash flows:

- (1) Net cash provided (used) by:
 - (a) Operating activities
 - (b) Noncapital financing activities
 - (c) Capital and related financing activities
 - (d) Investing activities
- (2) Beginning cash and cash equivalent balances
- (3) Ending cash and cash equivalent balances

Condensed Statement of Cash Flows:

	<u>Segment #1</u>	<u>Segment #2</u>
Net cash provided (used) by operating activities	\$ 1,402,050	\$ _____
Net cash provided (used) by noncapital financing activities	_____	_____
Net cash provided (used) by capital and related financing activities	<u>(49,300)</u>	<u>_____</u>
Net cash provided (used) by investing activities	<u>(426,351)</u>	<u>_____</u>
Beginning cash and cash equivalent balances	<u>2,770,860</u>	<u>_____</u>
Ending cash and cash equivalent balances	<u>3,697,259</u>	<u>0</u>

STATE OF LOUISIANA
Louisiana Public Facilities Authority
Notes to the Financial Statements
As of and for the year ended December 31, 2003

Y. DUE TO/DUE FROM AND TRANSFERS

1. List by fund type the amounts due from other funds detailed by individual fund at your fiscal year end:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total due from other funds		\$ <u>_____</u>

2. List by fund type the amounts due to other funds detailed by individual fund at fiscal year end:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total due from other funds		\$ <u>_____</u>

3. List by fund type all transfers from other funds for the fiscal year:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total due from other funds		\$ <u>_____</u>

4. List by fund type all transfers to other funds for the fiscal year:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total due from other funds		\$ <u>_____</u>

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS

The Authority has no liabilities payable from restricted assets at December 31, 2003.

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS

The following adjustments were made to restate beginning net assets for December 31, 2003.

STATE OF LOUISIANA
Louisiana Public Facilities Authority
Notes to the Financial Statements
As of and for the year ended December 31, 2003

Fund balance January 1, 2003, <u>previously reported</u>	Adjustments <u>+ or (-)</u>	Beginning net assets, January 1, 2003, <u>As restated</u>
\$ _____	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Each adjustment must be explained in detail on a separate sheet.

(NOTE: Net Assets at January 1, 2003, previously reported, must correspond to Net Assets at December 31, 2002, per the information received from OSRAP.)

STATE OF LOUISIANA
LOUISIANA PUBLIC FACILITIES AUTHORITY
SCHEDULE OF STATE FUNDING
For the Year Ended December 31, 2003
(Fiscal Close)

<u>Description of Funding</u>	<u>Amount</u>
1. _____	\$ _____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
9. _____	_____
10. _____	_____
Total	\$ _____ 0

**STATE OF LOUISIANA
LOUISIANA PUBLIC FACILITIES AUTHORITY
SCHEDULE OF BONDS PAYABLE
December 31, 2003
(Fiscal close)**

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Total		\$ _____	\$ _____	\$ _____	\$ _____		\$ _____

*Send copies of new amortization schedules

**STATE OF LOUISIANA
LOUISIANA PUBLIC FACILITIES AUTHORITY
SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE AMORTIZATION
For The Year Ended December 31, 2003
(Fiscal Close)**

Fiscal Year Ending:	<u>Principal</u>	<u>Interest</u>
2004	\$ _____	\$ _____
2005	_____	_____
2006	_____	_____
2007	_____	_____
2008	_____	_____
2009	_____	_____
2010	_____	_____
2011	_____	_____
2012	_____	_____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
Total	\$ <u>_____</u>	\$ <u>_____</u>

**STATE OF LOUISIANA
LOUISIANA PUBLIC FACILITIES AUTHORITY
SCHEDULE OF CAPITAL LEASE AMORTIZATION
For The Year Ended December 31, 2003**

Fiscal Year Ending:	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	Balance
2004	\$ _____	\$ _____	\$ _____	\$ _____
2005	_____	_____	_____	_____
2006	_____	_____	_____	_____
2007	_____	_____	_____	_____
2008	_____	_____	_____	_____
2009-2013	_____	_____	_____	_____
2014-2018	_____	_____	_____	_____
2019-2023	_____	_____	_____	_____
2024-2028	_____	_____	_____	_____
Total	\$ _____	\$ _____	_____	_____

**STATE OF LOUISIANA
LOUISIANA PUBLIC FACILITIES AUTHORITY
SCHEDULE OF NOTES PAYABLE AMORTIZATION**

<u>Fiscal Year</u> <u>Ending:</u>	<u>Principal</u>	<u>Interest</u>
2004	\$ _____	\$ _____
2005	_____	_____
2006	_____	_____
2007	_____	_____
2008	_____	_____
2009-2013	_____	_____
2014-2018	_____	_____
2019-2023	_____	_____
2024-2028	_____	_____
Total	\$ <u>_____</u>	\$ <u>_____</u>

**STATE OF LOUISIANA
LOUISIANA PUBLIC FACILITIES AUTHORITY
SCHEDULE OF BONDS PAYABLE AMORTIZATION
For The Year Ended December 31, 2003**

Fiscal Year Ending:	<u>Principal</u>	<u>Interest</u>
2004	\$ _____	\$ _____
2005	_____	_____
2006	_____	_____
2007	_____	_____
2008	_____	_____
2009	_____	_____
2010	_____	_____
2011	_____	_____
2012	_____	_____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
Total	\$ _____ --	\$ _____ --

STATE OF LOUISIANA
LOUISIANA PUBLIC FACILITIES AUTHORITY
COMPARISON FIGURES
SCHEDULE 15

To assist OSRAP in determining the reason for the change in financial position for the state and reason for the changes in the budget, please complete the schedule below. If the change is greater than 10%, explain the reason for the change.

	<u>2003</u>	<u>2002</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ 3,690,666	\$ 2,569,800	\$ 1,120,866	44%
Expenses	2,076,273	1,575,929	500,344	32%
2) Capital assets	420,196	393,526	26,670	7%
Long-term debt	664,404	-	664,404	100%
Net Assets	21,900,413	19,145,408	2,755,005	14%

Explanation for change: See Financial Statement Management Discussion
and Analysis page 3 for explanation of variances.

3)	<u>2003 Original Budget</u>	<u>2003 Final Budget</u>	<u>Difference</u>	<u>Percentage Change</u>
Revenues	\$ 2,189,500	\$ 2,189,500	-	0%
Expenditures	2,039,405	2,314,405	275,000	12%

Explanation for change:

The increase in the budget was required to disburse grant
funds. See Financial Statement - Statement of Revenues and
Expenses and Changes in Net Assets

	<u>2003 Final Budget</u>	<u>2003 Actual Budget</u>	<u>Difference</u>	<u>Percentage Change</u>
Revenues	2,189,500	2,189,500	-	0%
Expenditures	2,314,405	2,314,405	-	0%

Explanation of change: