C. Basis of Accounting

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

The governmental fund is accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Interest on interest-bearing deposits and investments is recognized when earned and available.

The proprietary fund is accounted for using the accrual basis of accounting. Its revenues are recognized when they are earned and expenses are recognized when they are incurred.

D. Investments

Statutes authorize the Lafayette Public Trust Financing Authority to invest in certificates of deposit, repurchase agreements, passbook savings accounts, bankers' acceptances, and other available bank investments provided that approved securities are pledged to secure those funds on deposit in an amount of those funds. In addition, the Lafayette Public Trust Financing Authority can invest in direct debt securities of the United States unless such an investment is expressly prohibited by law. Investments are stated at cost, increased by the accretion of discounts.

E. Statement of Cash Flows

For purposes of the statement of cash flows, the Enterprise Fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

F. Vacation, Sick Leave and Pension Plan

The Authority had no employees during the year ended March 31, 1996; therefore, it did not have a policy on vacation and sick leave, nor did it have a pension plan.

(6) Bonds Payable

A. The single family mortgage revenue refunding bonds 1990 Series A are dated September 1, 1990, original principal of $10,500,000 bearing interest at 8.5 percent per annum. Principal and interest are payable on the fifteenth day of each month, interest accruing from the first day to the last day of the month prior to payment date. The bond indenture indicates that monthly principal and interest payments are calculated on the monthly collections of mortgage loan principal, suggesting no available maturity schedule for future payments. The bonds are redeemable at the option of the issuer on any payment dated on or after September 15, 2000. Payment will be equal to 100 percent of the unpaid principal plus accrued interest to date.

B. Taxable refunding bonds series 1991A, Class A-1, Class A-2 and A-3, in the aggregate principal of $16,500,000. The Class A-1 and A-2 bonds bear interest at 7.5 percent per annum. Interest on the Class A-1 and A-2 bonds are payable monthly on the first calendar day of each month, interest accruing from the first day of the month through and including the last day of the month for the second month prior to each interest payment date. The Class A-3 bonds accrue interest at 9.25 percent beginning on the date of issuance until the date of maturity which is July 10, 2014. Principal payments on the Class A-1 bonds will be made on each interest payment date from funds remaining in the collection account after payment of interest on the Class A-1 and A-2 bonds. Principal payments will be applied first to pay principal on the Class A-1 bonds until all Class A-1 bonds have been paid in full before such funds are applied to pay the principal of the remaining classes of bonds. The maturity amount of the Class A-3 bonds will be payable on July 10, 2014.

Taxable refunding bonds series 1991B, Class B-1 and Class B-2, in the aggregate principal of $4,735,000. The Class B-1 bonds bear interest at 7.375 percent per annum. Interest on the Class B-1 bonds are payable monthly on the first calendar day of each month, interest accruing from the first day of the month through and including the last day of the month for the second month prior to each interest payment date. Principal payments on the Class B-1 bonds will be made on each interest payment date, only from funds available after payment of interest on such bonds and the transfer to the expense account of 1/12 of .30 percent of the aggregate principal amount of bonds outstanding per month. The payment of the Class B-2 maturity amount, which includes interest bearing 9.5 percent and principal, will be payable on July 10, 2014.

Marketable investment securities are carried at cost plus accreted discount.

The carrying value and estimated market values of investments are as follows as of March 31, 1996:

	Carrying Amount	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
FNMA - Zero coupon bonds	$ 3,745,703	$1,376,922	$ -	$ 5,122,625
FNMA - Mortgage-backed securities	11,756,839	-	(159,893)	11,596,946
U.S. Government obligations	86,013	38,010	-	124,023
Corporate obligations	5,039	2,881	-	7,920
Hathaway Insurance investment agreement	1,045,024	-	-	1,045,024
Totals	$16,638,618	$1,417,813	$(159,893)	$17,896,538

(4) Loans Receivable

Loans receivable consist of single family residential first mortgages. All first mortgages are pledged as security for the payment of principal and interest on the bonds payable. The loans are also covered by a mortgage trust insurance covering loss resulting from a borrower's default up to 80% of the fair market value of all insured mortgage agreements.

All loans are serviced by outside banks and financial institutions, and all payments are remitted to the Authority's trustee at the end of each month.

(5) Unamortized Bond Issue Costs

Unamortized bond issue cost at March 31, 1995	$1,054,620
Less: Bond issue costs expensed due to redemption of 1995 bonds	(115,319)
Less: Amortization for the year ended March 31, 1996	(93,317)
Total unamortized bond issue costs at March 31, 1996	$ 845,984

A recap of investments at March 31, 1996 by each bond restricted asset type follows:

	Cost	Accreted Discount	Carrying Value	Face Amount	Unaccreted Discount
Expense account	$ 87,313	$ -	$ 87,313	$ 202,000	$ 114,687
City of Lafayette	2,096,546	-	2,096,546	2,096,546	-
Debt service account	3,074,937	906,116	3,981,053	19,385,351	15,404,298
Revenue account	259,587	-	259,587	259,587	-
Collection account	9,680,750	-	9,680,750	16,028,304	6,347,554
Redemption	533,369	-	533,369	533,369	-
Total	$15,732,502	$906,116	$16,638,618	$38,505,157	$21,866,539

The Authority's investments are categorized below to give an indication of the level of risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the Authority or its agent in the Authority's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the Authority's name. Category 3 includes uninsured and unregistered investments 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.

The March 31, 1996, carrying amount of the securities which constitute the investments listed above are summarized as follows:

	Carrying Amount	Category
FNMA - Zero coupon bonds	$ 3,745,703	1
FNMA - Mortgage-backed securities	11,756,839	1
U.S. Government Obligations	86,013	1
Corporate obligations	5,039	1
Hathaway investment agreement	1,045,024	1
Total	$16,638,618	

the principal and interest due on the bonds. The redemption account shall account for the redemption or purchase of bonds. If on any interest payment date the amount on deposit in the principal or interest account shall be less than the amount required to pay debt service on the bonds, the deficiency will be satisfied with a withdrawal from the redemption account.

Rebate Fund -

The rebate account is not subject to the pledge of the bond indenture. At the end of the fifth bond year and each five year period thereafter, a rebate analyst will calculate the excess nonmortgage earnings in which those earnings will be transferred from the revenue fund to the rebate fund. In accordance with the bond indenture and Section 143 of the Internal Revenue Code, ninety percent of the monies held by the rebate account will be disbursed to the United States of America.

(3) Investments

A summary of restricted assets by accounts at March 31, 1996 is as follows:

Accounts	Cash	Interest - Bearing Deposits	Investments	Accrued Interest Receivable
Liquidity reserve	$ 1	$ 522,234	$ -	$ 432
Expense	-	87,159	87,313	72
Costs of issuance	149	-	-	-
City of Lafayette	-	2,279,328	2,096,546	-
Debt service	-	-	3,981,053	-
Revenue	1	9,193	259,587	10
Preservation	1	86,685	-	72
Collection	3,354	357,638	9,680,750	249
Redemption	-	13,420	533,369	10
Authority	-	22,730	-	-
Authority excess reserve	1	-	-	-
Totals	$3,507	$3,378,387	$16,638,618	$ 845

Acquisition Account -

The acquisition account is comprised of two subaccounts: The targeted area acquisition subaccount and the non-targeted area acquisition subaccount. The acquisition account shall account for the purchase of GNMA and/or FNMA securities secured by mortgage loans satisfying the requirements of the origination agreement.

Administrative Account -

The administrative account shall account for the payment of expenses associated with the Authority's financing program concerning the purchase of single-family residences. Program expenses include but are not limited to (i) the fees and expenses of the program compliance agent and the trustee fees (ii) the amounts necessary to pay expenses incurred by the Authority or the trustee in connection with the protection and enforcement of its rights in the GNMA securities or the GNMA Guaranty Agreement and (iii) the amounts reasonably necessary to carry out and administer the Authority's powers, duties and functions including the reasonable fees incurred in connection with any annual audit and the calculation of the rebate requirement. If at any time there is a balance in excess of $25,000 in the Administrative account, the Authority may direct the trustee to pay such excess to the Authority.

Revenue Fund -

The revenue fund account shall account for all pledged revenues deposited as well as any income or interest earned by any fund or account other than the rebate fund or costs of issuance account. Pledged revenues include all payments of principal and interest on GNMA or FNMA securities. Upon receipt of the initial payment under a GNMA or FNMA security, the trustee shall transfer an amount equal to the accrued interest portion of the purchase price of such GNMA or FNMA security to the revenue fund. Additionally, an amount equal to one-twelfth of .35 percent of the outstanding principal amount of each GNMA or FNMA security shall be deposited to the authority excess interest account.

Bond Funds -

The bond funds are comprised of three accounts - the principal account, interest account and redemption account. The principal and interest accounts shall account for the payment of

Redemption Account -

The redemption account will be used to pay for the unpaid principal plus accrued interest as related to the redeeming of bonds. Unpaid principal plus accrued interest will be paid from the redemption account provided not less than a single bond is called per redemption.

Preservation Account -

The preservation account is to be used solely for the payment of foreclosure expenses. The source of monies for the preservation account will be reimbursements of foreclosure expenses from insurance settlements.

Rebate Account -

The rebate account is not subject to the pledge of the bond indenture. Annually, a rebate analyst will calculate the excess nonmortgage earnings and transfer those earnings from the Collection Account to the Rebate Account. In accordance with the bond indenture and Section 143 of the Internal Revenue Code, ninety percent of the monies held by the rebate account will be disbursed to the United States of America beginning September 1, 1996 and every five years thereafter.

B. <u>1991 Bond Issues</u>

The accounts to be held by the Trustee are the collection account, expense account, liquidity reserve account, debt service reserve account, and preservation account.

Collection Account -

The collection account will account for all pledged revenues and amounts transferred from the debt service reserve account and liquidity reserve account. Monies shall be used to pay interest and principal on the bonds and transfer to the expense account an amount equal to 1/12 of .30 percent per annum of the aggregate principal amount of Series B mortgage loans outstanding per month.

C. The Series 1995 single family mortgage revenue bonds were dated February 1, 1995, original principal of $15,000,000 bearing an interest rate varying from 5.5 to 6.875 percent. Payment of principal and interest was to begin February 1, 1999 and continue annually to a final maturity date of February 1, 2027. The 1995 bonds were redeemed by the Authority in February 1996.

The following is a summary of bond transactions of the Lafayette Public Trust Financing Authority for the year ended March 31, 1996:

Net Bonds payable, beginning of year		$ 33,575,133
Add:	Unaccreted discount on redeemed 1995 bond issue	175,799
	Discount accreted	18,781
Less:	Bonds retired	(2,611,212)
	Redemption of 1995 bond issue	(15,000,000)
Net Bonds payable, end of year		$ 16,158,501

Principal outstanding on all bonds as of March 31, 1996 are as follows:

1990 Bond Issue	$4,641,959
1991 Bond Issue:	
Class A-1	4,819,852
Class A-2	4,800,000
Class A-3	500,000
Class B-1	2,237,516
Class B-2	400,000
	$17,399,327

Based upon the terms of the bond debentures, the 1990 and 1991 bond issues have no stated maturity schedules, therefore the sinking fund requirements for all long-term borrowings for each of the five years following the balance sheet date and to maturity as required by the Financial Accounting Standards Board's (FASB) Statement 47 cannot be disclosed.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Comparative Combining Statement of Revenues, Expenses and Changes in Retained Earnings - Enterprise Fund
Years Ended March 31, 1996 and 1995

	1990 Bond Issue		1991 Bond Issue		1995 Bond Issue		Totals	
	1996	1995	1996	1995	1996	1995	1996	1995
Operating revenues:								
Interest on loans	$ 470,899	$ 476,766	$ 228,358	$ 242,532	$ -	$ -	$ 699,257	$ 719,298
Interest on investments	70,184	74,218	1,128,587	1,228,347	970,235	355	2,169,006	1,302,920
Income on foreclosures	-	-	-	7,614	-	-		7,614
Commitment fees	-	-	-	-	-	75,000	-	75,000
Total operating revenues	541,083	550,984	1,356,945	1,478,493	970,235	75,355	2,868,263	2,104,832
Operating expenses:								
Interest on bonds	423,735	506,618	954,892	1,092,798	934,077	-	2,312,704	1,599,416
Amortization of bond issue cost	32,471	39,326	57,762	66,925	3,083	-	93,316	106,251
Foreclosure and real estate owned expenses	-	1,126	-	6,220	-	-	-	7,346
General and administrative expenses	35,855	43,127	38,397	45,757	23,961	10,500	98,213	99,384
Total operating expenses	492,061	590,197	1,051,051	1,211,700	961,121	10,500	2,504,233	1,812,397
Operating income (loss)	49,022	(39,213)	305,894	266,793	9,114	64,855	364,030	292,435
Other financing sources (uses):								
Operating transfers in	57,305	461	-	57,962	-	291,000	57,305	349,423
Operating transfers out	-	(57,969)	(57,305)	(461)	(38,837)	-	(96,142)	(58,430)
Total other financing sources (uses)	57,305	(57,508)	(57,305)	57,501	(38,837)	291,000	(38,837)	290,993
Net income (loss) before extraordinary item	106,327	(96,721)	248,589	324,294	(29,723)	355,855	325,193	583,428
Extraordinary item:								
Loss on redemption of revenue bonds	-	-	-	-	318,791	-	318,791	-
Net income (loss)	106,327	(96,721)	248,589	324,294	(348,514)	-	6,402	583,428
Retained earnings, beginning of year	1,210,925	1,307,646	5,770,296	5,446,002	355,855	-	7,337,076	6,753,648
Retained earnings, end of year	$1,317,252	$1,210,925	$6,018,885	$5,770,296	$ 7,341	$ 355,855	$7,343,478	$7,337,076

G. Amortization

Amortization of bond issue costs is based on the total outstanding bonds divided by the sum of the bonds outstanding as of the beginning of the present year. This method does not materially differ from the interest method required by generally accepted accounting principles.

H. Loans Receivable

Loans are carried at amounts advanced less payments collected. Interest on loans is accrued monthly as earned.

I. Bonds Payable

Bonds payable are stated at maturity value less unaccreted discount.

J. Comparative Data

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

K. Total Columns on Combined Statements - Overview

Total columns on the Combined Statements - Overview are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

(1) Summary of Significant Accounting Policies

The Lafayette Public Trust Financing Authority (Authority) is a political subdivision of the state of Louisiana. The Authority was formed as a public trust on January 16, 1979 pursuant to Chapter 2-A of Title 9 of the Louisiana revised statutes. The beneficiary of the trust is the City of Lafayette, Louisiana. The Authority was created for the purpose of providing financing for residential facilities to low and moderate income families within the Parish of Lafayette. The Authority's governing body is comprised of a board of five trustees.

The accounting and reporting policies of the Authority conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:513 and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

For financial reporting purposes, the Authority includes all funds and activities that are controlled by the Authority as an independent political subdivision of the State of Louisiana. The Authority is a component unit of the City of Lafayette, the primary government. Although legally separate from the City of Lafayette, the following factors were considered in deciding that the Authority is a component unit of the City of Lafayette, Louisiana:

1. The trustees of the Authority shall be appointed by the governing authority of the City of Lafayette.

2. All proposed by-laws and any amendments thereto need to be approved by the governing authority of the City of Lafayette.

3. No debt obligations may be issued or moneys borrowed without the prior consent of the governing authority of the City of Lafayette.

4. No bonds of the Trust shall be delivered without the prior approval of the governing authority of the City of Lafayette.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana
Proprietary Fund Type
Enterprise Fund

Comparative Statement of Cash Flows (Continued)
Years Ended March 31, 1996 and 1995

	1996	1995
Net increase (decrease) in cash and cash equivalents	$(15,123,477)	$15,212,394
Cash and cash equivalents, beginning of period	16,203,313	990,919
Cash and cash equivalents, end of period	$ 1,079,836	$16,203,313
Supplemental disclosures of cash flow information:		
Cash paid during the period - Interest	$ 2,387,144	$ 1,562,105
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning of period -		
Cash - restricted	$ 9	$ 12
Interest-bearing deposits - restricted	16,203,304	990,907
Less: Interest-bearing deposits with a maturity of over three months	-	-
Total cash and cash equivalents	16,203,313	990,919
Cash and cash equivalents, end of period -		
Cash - restricted	3,507	9
Interest bearing deposits - restricted	1,076,329	16,203,304
Less: Interest-bearing deposits with a maturity over three months	-	-
Total cash and cash equivalents	1,079,836	16,203,313
Net increase (decrease)	$(15,123,477)	$15,212,394

The accompanying notes are an integral part of this statement

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana
Proprietary Fund Type
Enterprise Fund

Comparative Statement of Cash Flows
Years Ended March 31, 1996 and 1995

	1996	1995
Cash flows from operating activities:		
Operating income	$ 364,030	$ 292,435
Adjustments to reconcile operating loss to net cash provided used by operating activities -		
Amortization of bond issue cost	93,317	106,251
Accretion of discount on investment	(251,505)	(315,844)
Accretion of bond discount	18,781	18,235
Changes in assets and liabilities:		
Decrease in accrued interest receivable	15,584	9,121
Decrease in accrued service fees	(514)	(481)
Decrease in accrued trustee fees	(2,912)	(419)
(Decrease)increase in accounts payable	(4,786)	4,443
Increase (decrease) in accrued interest on bonds payable	(74,440)	37,311
Decrease (increase) in prepaid trustee fees	5,685	(17,055)
Total adjustments	(200,790)	(158,438)
Net cash provided by operating activities	163,240	133,997
Cash flows from noncapital financing activities:		
Principal collected on mortgage loans	1,084,559	1,582,751
Principal paid on revenue bonds	(2,611,212)	(3,071,211)
Proceeds from issuance of bonds	-	15,000,000
Redemption of bonds	(15,000,000)	-
Transfer to General Fund	(38,837)	(7)
Transfer from General Fund	-	291,000
Payment of bond issuance cost	(21,500)	(118,404)
Payment of underwriter costs	-	(180,500)
Net cash provided (used) by noncapital financing activities	(16,586,990)	13,503,629
Cash flows from investing activities:		
Principal collected on mortgage-backed securities	1,597,826	1,417,824
Net purchase of investments	(297,533)	-
Net proceeds from the sale of and maturities of investments	-	156,944
Net cash provided (used) by investing activities	1,300,273	1,574,768

(continued)

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Comparative Statement of Revenues, Expenses and Changes in Retained Earnings -
Proprietary Fund Type
Enterprise Fund
Years Ended March 31, 1996 and 1995

	1996	1995
Operating revenues:		
Interest on loans	$ 699,257	$ 719,298
Interest on interest-bearing deposits and investments	2,169,006	1,302,920
Income on foreclosures	-	7,614
Commitment fees	-	75,000
Total operating revenues	2,868,263	2,104,832
Operating expenses:		
Interest on bonds	2,312,704	1,599,416
Amortization of bond issue costs	93,316	106,251
Foreclosure and real estate owned expenses	-	7,346
General and administrative expenses	98,213	99,384
Total operating expenses	2,504,233	1,812,397
Operating income	364,030	292,435
Other financing sources (uses):		
Operating transfers in	57,305	349,423
Operating transfers out	(96,142)	(58,430)
Total other financing sources (uses)	(38,837)	290,993
Net income before extraordinary item	325,193	583,428
Extraordinary item:		
Loss on redemption of revenue bonds	318,791	-
Net income	6,402	583,428
Retained earnings, beginning of year	7,337,076	6,753,648
Retained earnings, end of year	$7,343,478	$7,337,076

The accompanying notes are integral part of this statement.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Comparative Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund Type - General Fund
Years Ended March 31, 1996 and 1995

	1996	1995
Revenues:		
Interest on interest-bearing deposits and investments	$ 288,917	$ 268,232
Expenditures:		
Current -		
General government:		
Legal fees and costs	12,592	22,357
Accounting and auditing	9,220	7,233
Administrative fees - City of Lafayette	929	960
Miscellaneous	130	53
Total expenditures	22,871	30,603
Excess of revenues over expenditures	266,046	237,629
Other financing sources (uses):		
Operating transfers in	38,837	7
Operating transfers out	-	(291,000)
Total other financing sources (uses)	38,837	(290,993)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	304,883	(53,364)
Fund balance, beginning of year	4,093,225	4,146,589
Fund balance, end of year	$4,398,108	$4,093,225

The accompanying notes are an integral part of this statement.

(2) Bond Restrictions

A. 1990 Bond Issue

The accounts to be held by the Trustee are the collection account, revenue account, debt service account, redemption account, preservation account and rebate account.

Collection Account -

The collection account will be used to pay for items in the following order: As defined by Section 5.07 of the bond indenture, monies in excess of non-mortgage earnings will be transferred to the rebate account. Monthly bond interest and principal will also be paid. The collection account will also use its funds to supplement the debt service account for any deficiencies in its reserve requirement. If excess monies exist after the payment of the aforementioned, the remainder shall be transferred to the revenue account. The sources of monies for the collection account will be payments of principal on mortgage loans including regularly scheduled principal payments, principal prepayments, recoveries of principal through foreclosure and insurance settlements.

Revenue Account -

The revenue account will be used to pay for certain expenses on April 1 and October 1 of each year, commencing April 1, 1995. These expenses include trustee's fees, premiums on the special hazard and performance bond insurance policies as well as other program expenses. If a balance exists in excess of $25,000 on October 2 of each year, beginning October 2, 1993, the balance will be transferred to the redemption account. If a deficiency exists in the revenue account, as related to payment of expenses, monies will be transferred from the debt service account.

Debt Service Account -

The debt service account will be used to supplement the collection account and revenue account if monetary deficiencies exist. Any monies in excess of the debt service reserve requirement shall be transferred to the revenue account.

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LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY

Lafayette, Louisiana

Financial Report

Year Ended March 31, 1996

This report includes the component unit financial statements of the Lafayette Public Trust Financing Authority which does not include the oversight unit (City of Lafayette) financial statements.

B. Fund Accounting

The accounts of the Authority are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, retained earnings/fund equity, revenues, and expenses. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending is to be controlled. The various funds are grouped, in the financial statements in this report, into two generic fund types and two broad fund categories as follows:

Governmental Fund -

General Fund

The General Fund is the general operating fund of the Authority. It is used to account for all financial resources except those required to be accounted for in another fund.

Proprietary Fund -

Enterprise Fund

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including amortization of bond issue costs) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana
Enterprise Fund

Schedule of General and Administrative Expenses
Year Ended March 31, 1996
With Comparative Totals for March 31, 1995

	Bond Issues			Totals	
	1990	1991	1995	1996	1995
Accretion of bond discount	$ -	$14,080	$ 4,701	$18,781	$18,235
Mortgage insurance	8,429	4,912	-	13,341	14,960
Legal fees	-	-	-	-	792
Accounting and auditing	4,550	600	-	5,150	3,624
Servicing fees	18,286	11,805	-	30,091	31,523
Trustee fees	2,590	7,000	5,685	15,275	28,250
Miscellaneous	2,000	-	13,575	15,575	2,000
Total	$35,855	$38,397	$23,961	$98,213	$99,384

INTERNAL CONTROL AND COMPLIANCE

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(A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS)

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the general purpose financial statements of the Lafayette Public Trust Financing Authority, a component unit of the City of Lafayette, Louisiana, *primary government*, for the year ended March 31, 1996, and have issued our report thereon dated July 29, 1996.

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

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

In planning and performing our audit of the general purpose financial statements of the Lafayette Public Trust Financing Authority for the year ended March 31, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the general purpose financial statements of the Lafayette Public Trust Financing Authority, a component unit of the City of Lafayette, Louisiana, primary government, as of and for the year ended March 31, 1996, and have issued our report thereon dated July 29, 1996.

We conducted our audit in accordance with generally accepted auditing standards, 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 general purpose financial statements are free of material misstatement.

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

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

This report is intended for the information of the Board of Trustees. However, this report is a matter of public record and its distribution is not limited.

Darnall, Sikes, Kolder, Frederick & Rainey
A Corporation of Certified Public Accountants

Lafayette, Louisiana
July 29, 1996

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying general purpose financial statements of the Lafayette Public Trust Financing Authority, a component unit of the City of Lafayette, Louisiana, primary government, as of March 31, 1996, and for the year then ended. These general purpose financial statements are the responsibility of the Board of Trustees of the Authority. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Lafayette Public Trust Financing Authority as of March 31, 1996, and the results of its operations and the cash flows of its proprietary fund for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated July 29, 1996 on our consideration of Lafayette Public Trust Financing Authority's internal control structure and a report dated July 29, 1996 on its compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed under "Supplemental Information" in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Lafayette Public Trust Financing Authority. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

The financial information for the preceding year, which is included for comparative purposes, was taken from the financial report for that year in which we expressed an unqualified opinion on the general purpose financial statements.

Darnall, Sikes, Kolder, Frederick & Rainey
A Corporation of Certified Public Accountants

Lafayette, Louisiana
July 29, 1996

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Combined Balance Sheet - All Fund Types
March 31, 1996

	Governmental Fund Type General Fund	Proprietary Fund Type Enterprise Fund	Totals (Memorandum Only) 1996	1995
ASSETS				
Restricted assets:				
Cash	$ -	$ 3,507	$ 3,507	$ 9
Interest-bearing deposits	2,302,058	1,076,329	3,378,387	17,878,726
Investments	2,096,546	14,542,072	16,638,618	18,005,334
Accrued interest receivable	-	845	845	4,679
Mortgage loans receivable	-	7,099,903	7,099,903	8,184,462
Accrued interest receivable on loans	-	42,806	42,806	54,556
Prepaid trustee fees	-	-	-	17,055
Total restricted assets	4,398,604	22,765,462	27,164,066	44,144,821
Deferred charges:				
Unamortized bond issue costs	-	845,984	845,984	1,054,620
Total assets	$4,398,604	$23,611,446	$28,010,050	$45,199,441
LIABILITIES AND FUND EQUITY				
Liabilities payable from restricted assets:				
Single family mortgage revenue bonds payable	$ -	$17,399,327	$17,399,327	$35,010,539
Less: Unaccreted discount	-	1,240,826	1,240,826	1,435,406
Net single family mortgage bonds outstanding (secured)	-	16,158,501	16,158,501	33,575,133
Accrued service fees	-	1,921	1,921	2,435
Accrued trustee fees	-	-	-	2,912
Accounts payable	496	-	496	6,674
Accrued interest on bonds	-	107,546	107,546	181,986
Total liabilities payable from restricted assets	496	16,267,968	16,268,464	33,769,140
Fund equity:				
Retained earnings -				
Reserved for revenue bond retirement	-	7,343,478	7,343,478	7,337,076
Fund balance -				
Unreserved, designated	4,398,108	-	4,398,108	4,093,225
Total fund equity	4,398,108	7,343,478	11,741,586	11,430,301
Total liabilities and fund equity	$4,398,604	$23,611,446	$28,010,050	$45,199,441

The accompanying notes are an integral part of this statement.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Comparative Combining Balance Sheet - Enterprise Fund
March 31, 1996 and 1995

	1990 Bond Issue		1991 Bond Issue		1995 Bond Issue		Totals	
	1996	1995	1996	1995	1996	1995	1996	1995
ASSETS								
Restricted assets:								
Cash	$ 3,354	$ 2	$ 152	$ 5	$ 1	$ 2	$ 3,507	$ 9
Interest bearing deposits	153,304	174,975	915,694	925,995	7,331	15,102,334	1,076,329	16,203,304
Investments	1,045,024	1,053,340	13,497,048	14,532,303	-	-	14,542,072	15,585,643
Accrued interest receivable	99	867	737	3,603	9	209	845	4,679
Mortgage loans receivable	4,594,146	5,302,767	2,505,757	2,881,695	-	-	7,099,903	8,184,462
Accrued interest receivable on loans	28,559	38,296	14,247	16,260	-	-	42,806	54,556
Prepaid trustee fees	-	-	-	-	-	17,055	-	17,055
Total restricted assets	5,824,486	6,570,247	16,933,635	18,359,861	7,341	15,119,600	22,765,462	40,049,708
Deferred charges:								
Unamortized bond issue costs	168,825	201,295	677,159	734,921	-	118,404	845,984	1,054,620
Total assets	$5,993,311	$6,771,542	$17,610,794	$19,094,782	$7,341	$15,238,004	$23,611,446	$41,104,328
LIABILITIES AND FUND EQUITY								
Liabilities payable from restricted assets:								
Single family mortgage revenue bonds payable	$4,641,959	$5,516,991	$12,757,368	$14,493,548	$ -	$15,000,000	$17,399,327	$35,010,539
Less: Unaccreted discount	-	-	1,240,826	1,254,906	-	180,500	1,240,826	1,435,406
Net single family mortgage bonds outstanding (secured)	4,641,959	5,516,991	11,516,542	13,238,642	-	14,819,500	16,158,501	33,575,133
Accrued service fees	1,219	1,635	702	800	-	-	1,921	2,435
Accrued trustee fees	-	2,912	-	-	-	-	-	2,912
Accounts payable	-	-	-	-	-	4,786	-	4,786
Accrued interest on bonds	32,881	39,079	74,665	85,044	-	57,863	107,546	181,986
Total liabilities payable from restricted asset	4,676,059	5,560,617	11,591,909	13,324,486	-	14,882,149	16,267,968	33,767,252
Fund equity:								
Retained earnings - Reserved for revenue bond retirement	1,317,252	1,210,925	6,018,885	5,770,296	7,341	355,855	7,343,478	7,337,076
Total liabilities and fund equity	$5,993,311	$6,771,542	$17,610,794	$19,094,782	$7,341	$15,238,004	$23,611,446	$41,104,328

SUPPLEMENTAL INFORMATION

(12) Intergovernmental Agreement

Lafayette Public Trust Financing Authority entered into an agreement with the City of Lafayette, beneficiary of Lafayette Public Trust Financing Authority, whereas the Authority will transfer monies to the City and the City shall maintain said monies for the benefit of the Authority. Unless directed otherwise, the City shall invest all funds in such a manner to maximize income from such funds that can safely be earned within the confines of law. The City shall disburse funds only upon directions of the Authority as evidenced by requisitions signed by the Authority's chairman. All requisitions in excess of five thousand dollars must be executed by both the chairman and secretary-treasurer of the Authority. The Authority shall reimburse the City annually an amount to be determined by the City's cost allocation plan for such services. As of March 31, 1996 the City is managing interest-bearing deposits and investments totaling $4,398,604, which is reflected in the financial statements of the Authority.

(13) Cooperative Endeavor Agreement

On January 31, 1996, the Lafayette Public Trust Financing Authority and the Louisiana Housing Finance Agency entered into a Cooperative Endeavor Agreement. The Agreement acknowledges the Authority's initial investment of $280,000 associated with the issuance of the 1995 bond issue and states that certain assets transferred to the trustee for the 1996A bond issue from the trustee of the 1995 bond issue will be used in such a manner to permit mortgage loans to be financed within the jurisdiction of the Authority and to finance the recovery of the Authority's initial investment. The recovery of such initial investment by the Authority, however, is contingent upon the fact that the LHFA does not incur any costs which are not recoverable from the previously mentioned transferred assets. The potential recoverability of the $280,000 has not been accrued as a receivable in the financial statements in accordance with Financial Accounting Standards Board Statement (FASB) No. 5 "Accounting for Contingencies". FASB No. 5 states that gain contingencies are ordinarily not recorded until they are actually realized.

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report in intended for the information of the Board of Trustees. However, this report is a matter of public record and its distribution is not limited.

Darnall, Sikes, Kolder, Frederick & Rainey
A Corporation of Certified Public Accountants

Lafayette, Louisiana
July 29, 1996

(7) Real Estate Owned

The Authority acquires real estate through adjudication (which was foreclosed upon and adjudicated back to the Authority at sheriff's sale) and is carried at the principal outstanding on the loan prior to acquisition by the Authority net of insurance reimbursement. There was no real estate owned at March 31, 1996.

(8) Litigation

There was no litigation pending against the Authority as of March 31, 1996.

(9) Compensation of Board of Trustees

The Board of Trustees of the Authority receives no compensation and are only reimbursed for their expenses incurred relating to the Authority's business, which must have appropriate supporting documentation.

(10) Prior Years' Debt Defeasance

In prior years, the Lafayette Public Trust Financing Authority has defeased various bond issues by creating irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U. S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the Authority's financial statements. As of March 31, 1996, the amount of defeased debt outstanding but removed from the financial statements amounted to $37,460,000.

(11) 1995 Bond Issue Redeemed

During February 1996, the Authority sold its investments in the 1995 bond issue at a purchase price of $15,000,000 to Louisiana Housing Finance Agency (LHFA). The purchase price was funded by LHFA through the issuance of bonds. The related bond issuance costs were paid by the Authority. With the proceeds from the sale, the Authority redeemed all 1995 bonds outstanding as of January 31, 1996. A $318,791 extraordinary loss was recognized on the early extinguishment of the 1995 bonds.