

KOLDER, CHAMPAGNE, SLAVEN & RAINEY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

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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, 1997, and have issued our report thereon dated July 28, 1997.

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 unlimited.

Kolder, Champagne, Slaven & Rainey, LLC

Certified Public Accountants

Lafayette, Louisiana
July 28, 1997

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operations, 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 could 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 could 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 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.

Roder, Champagne, Mason & Rainey, L.L.C.

Certified Public Accountants

Lafayette, Louisiana
July 26, 2007

KOLDER, CHAMPAGNE, SLAVEN & RAINEY, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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

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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, 1997, and have issued our report thereon dated July 25, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These 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 structures 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 recorded 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 nonetheless 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, 1997, 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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FEDERAL CONTROL AND COMPLIANCE

LAFAYETTE PUBLIC TRUST FIRINGING AUTHORITY
Lafayette, Louisiana
Enterprise Fund

Schedule of General and Administrative Expenses
Year Ended MARCH 31, 1991
With Comparative Totals for MARCH 31, 1990

	Fiscal Years			Totals	
	1990	1991	1991	1990	1991
Recovery of bond discount	\$ -	\$21,400	\$ -	\$21,400	\$21,400
Mortgage insurance	8,800	8,101	-	16,901	16,901
Accounting and auditing	-	-	-	-	8,100
Service fees	14,000	8,700	-	22,700	22,700
Trustee fees	4,500	7,000	-	11,500	18,500
Miscellaneous	2,000	-	-	2,000	15,200
Total	\$29,300	\$39,401	\$ -	\$58,401	\$99,201

LAUREATE CAPITAL TRUST FINANCIAL STATEMENT
 (Continued)

Comparative Statement of Income, Expenses and Changes in Retained Earnings -

Comparative Fund
 Years Ended March 31, 1997 and 1996

	1997	1996	1997	1996	1997	1996	1997	1996
Operating revenues:								
Interest on loans	\$ 26,149	\$ 42,008	\$ 185,113	\$ 228,223	\$ -	\$ -	\$ 205,154	\$ 4,489,317
Interest on investments	1,215	1,215	1,215	1,215	-	-	1,215	1,215
Total operating revenues	27,364	43,223	186,328	229,438	-	-	206,369	4,490,532
Operating expenses:								
Interest on debt	26,407	27,371	85,414	85,414	-	-	85,414	5,112,724
Interest on other loans and	26,149	27,371	2,114	17,712	-	-	1,215	2,114
Interest on investments and	1,215	1,215	1,215	1,215	-	-	1,215	1,215
General and administrative expenses	10,718	10,423	2,448	2,448	-	-	2,448	2,448
Total operating expenses	64,489	66,580	91,631	106,889	-	-	92,332	7,993,906
Operating income (loss)	\$ (37,125)	\$ (23,357)	\$ 94,697	\$ 122,549	\$ -	\$ -	\$ 114,035	\$ (3,503,374)
Other income (loss) (expense) (benefit):								
Operating revenues in	-	51,259	-	-	-	-	51,259	-
Operating expenses in	-	(31,258)	-	(11,258)	-	-	(31,258)	-
Total other income (loss) (expense) (benefit)	-	20,001	-	(11,258)	-	-	20,001	-
Net income (loss) before extraordinary loss	\$ (37,125)	\$ (3,356)	\$ 94,697	\$ 111,291	\$ -	\$ -	\$ 134,036	\$ (3,503,374)
Extraordinary loss	-	-	-	-	-	-	-	-
Loss on redemption of limited bonds	14,467	14,467	48,276	24,789	17,400	17,400	44,600	4,462
Net income (loss)	\$ (22,658)	\$ 11,111	\$ 142,973	\$ 136,080	\$ 17,400	\$ 17,400	\$ 178,636	\$ (3,494,450)
Retained earnings, beginning of year	\$1,581,719	\$1,571,253	\$4,124,489	\$4,124,489	\$ -	\$ -	\$ 4,796,356	\$7,663,268
Retained earnings, end of year	\$1,559,061	\$1,582,364	\$4,267,462	\$4,260,569	\$ 17,400	\$ 17,400	\$ 4,974,992	\$7,667,720

SPURTS SOLICITATION FINANCIAL STATEMENT
 Indianapolis, Louisiana

Comparative Cash-in-hand Balance Sheet - EXPENDITURE SIDE
 March 31, 1957 and 1956.

	1957 - March 31, 1957		1956 - March 31, 1956	
	Dollars	Cents	Dollars	Cents
Expended assets:				
Bank	\$	1.24	\$	78
Interest bearing deposits	113.00	10.26	88.20	19.24
Accounts receivable	1,192.74	1,041.20	1,128.20	7,197.04
Accounts payable	145	94	1,248	797
Prepaid expenses	5,771.24	4,164,134	4,164,227	4,164,227
Accrued interest receivable on loans	1,128	1,128	1,128	1,128
Total expended assets	7,205.02	7,205.02	7,205.02	7,205.02
Interest charges:				
Unrecovered fund issue 1955	\$11.25	11.25	\$11.25	11.25
Total assets	\$8,216.27	\$8,216.27	\$8,216.27	\$8,216.27
LIABILITIES AND FUND BALANCE				
Liabilities payable from restricted assets:				
Unpaid liability - interest - 1955	\$1,405.47	\$1,405.47	\$1,405.47	\$1,405.47
Liability - Unrecovered interest	1,405.47	1,405.47	1,405.47	1,405.47
Unpaid interest on 1955	1.00	1.00	1.00	1.00
Unpaid interest on 1956	20.23	20.23	20.23	20.23
Total liabilities payable from restricted assets	3,032.17	3,032.17	3,032.17	3,032.17
Fund balance:				
Residual surplus -				
Returned by interest 1955	1,112.27	1,112.27	1,112.27	1,112.27
Total (1955/1956) and fund	\$8,216.27	\$8,216.27	\$8,216.27	\$8,216.27

SUPPLEMENTAL INFORMATION

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements (Continued)

(10) Intergovernmental Agreements

Lafayette Public Trust Financing Authority entered into an agreement with the City of Lafayette, beneficiary of Lafayette Public Trust Financing Authority, wherein 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 deposit all funds in such a manner to maintain funds from such funds that are 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 approved by both the chairman and secretary-treasurer of the Authority. The Authority shall reimburse the City monthly an amount to be determined by the City's most allocation plan for such services. As of March 31, 1990 the City is managing interest-bearing deposits and investments totaling \$4,679,982, which is reflected in the financial statements of the Authority.

(11) Cooperative Endorsement Agreement

On January 31, 1990, the Lafayette Public Trust Financing Authority and the Louisiana Housing Finance Agency entered into a Cooperative Endorsement Agreement. The Agreement acknowledges the Authority's initial investment of \$200,000 associated with the issuance of the 1990 bond issue and grants the certain assets transferred to the trustee for the 1990 bond issue from the trustee of the 1990 bond issue will be used in such a manner to permit mortgage loans to be financed within the jurisdiction of the Authority and to insure 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 LHA does not issue any bonds which are not recoverable from the previously mentioned transferred assets. The potential unrecoverability of the \$200,000 has not been assessed as a reasonable in the financial statements in accordance with Financial Accounting Standards Board Statement (FASB) No. 5, "Accounting for Contingencies". FASB No. 5 states that gains contingencies are ordinarily not recorded until they are actually realized.

LAISAPETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

NOTES TO Financial Statements (CONTINUED)

(7) Real Estate Owned

The Authority acquires real estate through adjudication (which was developed 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 reimbursements. There was no real estate owned at March 31, 1997.

(8) LITIGATION

There was no litigation pending against the Authority as of March 31, 1997.

(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 Refinance

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, 1997, the amount of defeased debt outstanding but removed from the financial statements amounted to \$17,489,800.

(11) 1995 Bond Issue Refunded

During February 1996, the Authority sold its investments in the 1995 bond issue at a purchase price of \$87,880,000 to Louisiana Housing Finance Agency (LHFA). The purchase price was funded by LHFA through the issuance of bonds. The related bond insurance 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 \$128,781 extraordinary loss was recognized on the early extinguishment of the 1995 bonds.

LAFALETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

NOTES TO FINANCIAL STATEMENTS (Continued)

6. The Series 1995 single family mortgage revenue bonds were dated February 1, 1995, original principal of \$18,508,000 bearing an interest rate varying from 5.5 to 6.875 percent. Payment of principal and interest was to begin February 1, 1996 and continue annually to a final maturity date of February 1, 2027. The 1995 bonds were refunded 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, 1997:

Net bonds payable, beginning of year	\$24,188,000
ADD: discount accreted	44,000
less: bonds retired	(12,312,000)
Net bonds payable, end of year	\$12,450,000

Principal outstanding on all bonds as of March 31, 1997 was as follows:

1990 bond issue	\$ 3,828,400
1991 bond issues:	
Class B-1	3,397,000
Class B-2	4,800,000
Class B-3	800,000
Class B-4	1,800,000
Class B-5	408,600
	\$14,695,000

Based upon the terms of the bond indentures, 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 SFAS# Statement 47 should be disclosed.

LAFALETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements (Continued)

000 Notes payable

A. The single family mortgage revenue refunding bonds 1990 Series A are dated September 3, 1990, original principal of \$20,500,000 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, reserving an available maturity schedule for future payments. The bonds are redeemable at the option of the issuer on any payment date on or after September 15, 2004. Payments 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 \$20,500,000. The Class A-2 and A-3 bonds bear interest at 7.5 percent per annum. Interest on the Class A-1 and A-3 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-2 bonds accrue interest at 8.25 percent beginning on the date of issuance until the date of maturity which is July 15, 2004. 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-3 bonds. Principal payments will be applied first to pay principal on the Class A-3 bonds until all Class A-3 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-2 bonds will be payable on July 15, 2004.

Taxable refunding bonds series 1991B, Class B-1 and Class B-2, in the aggregate principal of \$4,728,000. The Class B-1 bonds bear interest at 7.25% 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 deposite account of one-twelfth of .25 percent of the aggregate principal amount of bonds outstanding per month. The payment of the Class B-2 maturity amount, which includes interest bearing 8.5 percent and principal, will be payable on July 15, 2004.

LAFAYETTE PUBLIC TRUST FINANCIAL AUTHORITY
 LAUFAYETTE, LOUISIANA

Notes to Financial Statements (Continued)

Marketable investment securities are carried at each plus accrued discount.

The carrying value and estimated market values of investments are as follows as of March 31, 1987:

	Carrying Amount	Gross Unrealized Gain	Gross Unrealized Losses	Estimated Market Value
AAA - Bond coupon bonds	\$ 4,515,166	\$1,129,261	\$ -	\$ 5,644,427
AAA - Mortgage-backed securities	7,858,949	18,128	-	7,877,077
U.S. Government obligations	79,881	42,367	-	122,248
Mutual Fund Investment				
Investment agreement	1,128,622	-	-	1,128,622
Miscellaneous	122	-	-	122
Totals	\$13,582,740	\$1,280,756	\$ -	\$14,863,496

99) Loans Receivable

Loans receivable consists of single family residential first mortgages. All first mortgages are pledged as security for the payment of principal and interest on the loans 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.

100) Unamortized Bond Issue Costs

Unamortized bond issue cost at March 31, 1986	\$865,194
Less: Amortization for the year ended March 31, 1987	<u>143,571</u>
total unamortized bond issue costs at March 31, 1987	\$721,623

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements (Continued)

A recap of Investments at March 31, 1987 by each bond restricted asset type follows:

	COSE	RECEIVED DISBURSED	Carrying Value	Face Amount	Restriction Balance
Expense account	\$ 76,324	\$ -	\$ 76,324	\$ 183,680	\$ 118,656
City of Lafayette	3,793,890	-	3,793,890	3,793,890	-
DMT service					
ACCOUNT	3,074,937	3,338,338	4,413,475	18,381,388	14,817,826
Revenue account	388,813	-	388,813	388,813	-
Collection account	8,081,334	-	8,081,334	8,080,386	8,213
Redemption	847,388	-	847,388	847,388	-
Total	\$13,961,264	\$1,338,338	\$15,039,880	\$18,284,977	\$15,059,491

The Authority's investments are categorized below to give an indication of the level of risk assumed by the Authority at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the Authority or its agent in the Authority's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the Authority's name. Category 3 includes uninsured and unregistered investments 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, 1987, carrying amount of the securities which constitute the investments listed above are summarized as follows:

	Carrying Amount	Category
AAA - zero coupon bonds	\$ 4,333,340	1
AAA - Mortgage-backed securities	2,888,940	1
U.S. Government Obligations	78,881	1
Railroad Government agreement	1,138,431	1
Miscellaneous	385	
Total	\$18,284,880	

LAFAYETTE PUBLIC TRUST FINANCING AGENCY
Lafayette, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

the principal and interest due on the bonds. The redemption amount 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 is 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 mortgage earnings in which those earnings will be transferred from the revenue fund to the rebate fund. In accordance with the bond indenture and Section 142 of the Internal Revenue Code, ninety percent of the monies held by the rebate account will be disbursed to the United States of America.

(1) Intangible

A summary of restricted assets by accounts at March 31, 1987 is as follows:

Accounts	Cash	Interest - Bearing Deposits	Investments	Accrued Interest Receivable
Liquidity reserve	\$ -	\$ 948,728	\$ -	\$ 25,216
Expans	-	100,000	76,128	800
City of Lafayette	-	1,800,107	1,700,838	-
Debt service	-	-	8,413,878	-
Revenue	-	1,460	180,000	17
Predecessor	-	98,750	-	80
COLLECTION	-	317,500	8,871,434	900
Redemption	40	-	387,100	-
Totals	\$ 40	\$4,613,485	\$18,239,800	\$25,917

LAFAYETTE PUBLIC HOUSING FINANCING AUTHORITY
Lafayette, Louisiana

NOTES TO FINANCIAL STATEMENTS (Continued)

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 GHA and/or FHA 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 GHA acquisition or the FHA 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 GHA or FHA securities. Upon receipt of the initial payment under a GHA or FHA security, the trustee shall transfer an amount equal to the accrued interest portion of the purchase price of such GHA or FHA security to the revenue fund.

Additionally, an amount equal to one-twelfth of .15 percent of the outstanding principal amount of each GHA or FHA 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

LAKEWATER PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements (Continued)

Expense Account -

The expense account will account for all amounts transferred from the collection account to pay miscellaneous program expenses such as trustee fees, insurance premiums, independent accountants fees, etc.

Liquidity Reserve Account -

The liquidity reserve account shall account for investment earnings on amounts deposited from the bond proceeds. Investment earnings shall be transferred to the collection account and in the event that amounts on deposit in the collection account are insufficient to pay the principal or interest due on the bonds, the amount of such insufficiency shall be transferred from the liquidity reserve account.

Debt Service Reserve Account -

The debt service reserve account shall account for interest earned on amounts deposited from the bond proceeds. Interest earned on such amounts shall be retained and in the event that amounts in the collection account, the liquidity reserve account and the expense account are insufficient to pay the principal and interest due on the bonds, the amount of such insufficiency shall be transferred from the debt service reserve account.

Preservation Account -

The preservation account shall account for interest earned on amounts deposited from the bond proceeds and amounts received under the mortgage guaranty insurance policy which represent principal and interest on the relevant mortgage loans. Amounts will be disbursed for liquidation and preservation expenses incurred prior to the acquisition of a property.

C. ISSUE-BOND ISSUES

The accounts to be held by the Trustee are the acquisition account, costs of issuance account, administrative account, reserve fund, bond funds and rebate fund.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
LAFAYETTE, LOUISIANA

Notes to Financial Statements (Continued)

Redemption Account -

The redemption account will be used to pay for the unpaid principal plus accrued interest as related to the redemption 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 mortgage 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, sixty percent of the monies held by the rebate account will be disbursed to the United States of America beginning September 1, 1984 and every five years thereafter.

B. 2011 Bond Issues

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 one-twelfth of .30 percent per annum of the aggregate principal amount of Series B mortgage loans outstanding per month.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

NOTES TO FINANCIAL STATEMENTS (Continued)

9. 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.

10. Loan Accruals

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

11. Bonds Payable

Bonds payable are stated at security value less unaccrued discounts.

12. 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.

13. Total Columns on Combined Statements - Sources

Total columns on the Combined statements - Sources are captioned Memoranda 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. Rather is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements Footnotes

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 bases applied.

The governmental fund is accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as an earned asset. 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 these 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, 1987; therefore, it did not have a policy on vacation and sick leave, nor did it have a pension plan.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements (Continued)

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.

8. 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 (operating, 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

Notes to Financial Statements

131 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, 1998 pursuant to Chapter 2-A of Title 2 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 24:111 and to the industry audit guide, Handbook of State and Local Governmental Audit.

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 must be approved by the governing authority of the City of Lafayette.
3. No debt obligations may be issued or money borrowed without the prior consent of the governing authority of the City of Lafayette.
4. No funds of the Trust shall be disbursed 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

Comprehensive Statement of Cash Flows (Continued)
Years Ended March 31, 1997 and 1996

	1997	1996
Net decrease in cash and cash equivalents	\$ 128,288	\$ (118,122.47)
Cash and cash equivalents, beginning of period	1,573,838	16,200.33
Cash and cash equivalents, end of period	\$ 1,445,550	\$ 1,879.90
<u>Supplemental disclosures of cash flow information:</u>		
Cash paid during the period - Interest	\$ 1,173,813	\$ 1,387,144
<u>Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:</u>		
Cash and cash equivalents, beginning of period - Cash - restricted	\$ 3,597	\$ -
Interest-bearing deposits - restricted	1,570,241	16,200.33
Less: Interest-bearing deposits with a maturity of over three months	-	-
Total cash and cash equivalents	1,573,838	16,200.33
Cash and cash equivalents, end of period - Cash - restricted	85	3.90
Interest-bearing deposits - restricted	1,445,465	1,879.90
Less: Interest-bearing deposits with a maturity over three months	1,445,465	1,879.90
Total cash and cash equivalents	1,445,550	1,879.90
Net decrease	\$ 128,288	\$ (118,122.47)

The accompanying notes are an integral part of this statement.

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

Comparative Statement of Cash Flows
Years Ended March 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Cash flows from operating activities:		
Operating income	\$ 481,381	\$ 364,000
Adjustments to reconcile operating loss to net cash provided used by operating activities:		
Amortization of bond issues cost	82,027	82,327
Accretion of discount on investment	642,422	120,845
Amortization of bond discounts	31,489	38,781
Changes in assets and liabilities:		
Decrease in accrued interest receivable	(214)	28,388
Decrease in accrued service fees	(213)	804
Decrease in accrued trustee fees	-	12,825
Decrease/increase in accounts payable	-	14,785
Increase (decrease) in accrued interest on bonds payable	157,828	674,490
Decrease (increase) in prepaid trustee fees	-	1,815
Total adjustments	<u>672,889</u>	<u>1268,730</u>
Net cash provided by operating activities	<u>1,154,270</u>	<u>732,730</u>
Cash flows from noncapital financing activities:		
Principal collected on mortgage loans	1,167,853	1,084,510
Principal paid on revenue bonds	12,785,261	8,422,812
Proceeds from issuance of bonds	-	-
Redemption of bonds	-	418,000,000
Transfer to General Fund	17,243	28,800
Repayment of bond insurance cost	-	121,510
Net cash used by noncapital financing activities	<u>(11,618,208)</u>	<u>(737,002)</u>
Cash flows from investing activities:		
Principal collected on mortgage-backed securities	1,078,373	1,077,810
Net purchase of investments	<u>(118,821)</u>	<u>(122,210)</u>
Net cash provided by investing activities	<u>959,552</u>	<u>955,600</u>

Continued on 2

LAFAYETTE PUBLIC DEBT FINANCING AUTHORITY
Lafayette, Louisiana

Comparative Statement of Revenues, Expenses and Changes in Retained Earnings -
Proprietary Fund Type
Enterprise Fund
Years Ended March 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Operating revenues:		
Interest on loans	\$ 594,280	\$ 498,261
Interest on interest-bearing deposits and investments	<u>1,178,568</u>	<u>1,158,806</u>
Total operating revenues	<u>1,772,848</u>	<u>1,657,067</u>
Operating expenses:		
Interest on loans	1,154,948	1,313,704
Amortization of bond issue costs	43,937	93,314
General and administrative expenses	<u>82,443</u>	<u>58,355</u>
Total operating expenses	<u>1,281,328</u>	<u>1,465,373</u>
Operating income	<u>491,520</u>	<u>191,694</u>
Other financing sources (uses):		
Operating transfers in	-	57,361
Operating transfers out	<u>(12,281)</u>	<u>(184,147)</u>
Total other financing sources (uses)	<u>(12,281)</u>	<u>(126,786)</u>
Net income before extraordinary item	479,239	35,008
Extraordinary item:		
Loss on redemption of revenue bonds	<u>-</u>	<u>(318,714)</u>
Net income	479,239	6,294
Retained earnings, beginning of year	<u>1,183,478</u>	<u>1,110,004</u>
Retained earnings, end of year	<u>\$1,794,128</u>	<u>\$1,283,400</u>

The accompanying notes are integral part of these financial statements.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Comparative Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Fund Type - General Fund
Years Ended March 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Revenues:		
Interest on interest-bearing deposits and investments	\$ 388,814	\$ 388,707
Expenditures:		
CURRENT -		
General government:		
Legal fees	3,000	11,518
Legal costs	-	1,254
Accounting and auditing	13,199	8,228
Administrative fees - City of Lafayette	870	828
Advertising	1,000	-
Miscellaneous	678	131
Total expenditures	<u>19,747</u>	<u>22,959</u>
Excess of revenues over expenditures	<u>369,067</u>	<u>365,748</u>
Other financing sources (uses):		
Operating transfers in	7,843	38,817
Operating transfers out	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>7,843</u>	<u>38,817</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	376,910	304,565
Fund balance, beginning of year	<u>\$ 308,188</u>	<u>\$ 321,321</u>
Fund balance, end of year	<u>\$ 685,098</u>	<u>\$ 625,886</u>

The accompanying notes are an integral part of this statement.

LAFFETTE PUBLIC DEBT FINANCING AUTHORITY
Lafayette, Louisiana

Compared Balance Sheet - All Fund Types
March 31, 1997

	Governmental	Proprietary	Totals	
	Fund Type	Fund Type	Governmental	Proprietary
	Amount	Amount	1997	1996
ASSETS				
Restricted assets:				
Cash	\$ -	\$ 49	\$ 49	\$ 1,317
Interest-bearing deposits	2,299,147	1,289,279	3,588,426	3,279,217
Investments	1,700,000	10,254,279	11,954,279	16,555,219
Accrued interest receivable	-	1,147	1,147	0
Mortgage loans receivable	-	5,892,000	5,892,000	7,892,000
Accrued interest receivable on loans	-	14,119	14,119	142,000
Other restricted assets	1,270,000	26,184,117	27,454,117	27,184,219
Unrestricted charges:				
Unrestricted bond issue costs	-	790,217	790,217	891,000
Total assets	54,679,267	671,558,214	626,877,701	628,997,150
LIABILITIES AND FUND EQUITY				
Liabilities payable from restricted assets:				
Single family mortgage interest bonds payable	\$ -	\$74,480,000	\$74,480,000	\$77,229,217
Other Governmental bonds	-	7,229,117	7,229,117	5,229,219
Net single family mortgage loans outstanding (covered)	-	10,454,000	10,454,000	16,114,219
Accrued service fees	-	1,808	1,808	1,071
Accounts payable	1,199	-	1,199	170
Accrued interest on bonds	-	89,114	89,114	137,217
Total Liabilities payable from restricted assets	1,199	92,244,029	93,854,138	104,807,943
Fund equity:				
Unassigned earnings -				
Reserved for pension bond retirement	-	7,799,114	7,799,114	7,511,219
Fund balances -				
Governmental, designated	5,478,068	-	5,478,068	6,289,217
Total fund equity	5,478,068	7,799,114	13,277,182	13,800,436
Total Liabilities and Fund equity	62,675,267	671,558,214	626,877,701	628,997,150

The accompanying notes are an integral part of this statement.

GENERAL PURPOSE FINANCIAL STATEMENTS
(CONDENSED STATEMENTS - OVERVIEW)

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.

Kidd, Champagne, Mason & Kirby, LLC
Certified Public Accountants

Lafayette, Louisiana
July 25, 1993

KOLDER, CHAMPAGNE, SLAVEN & RAINEY, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

REPORT OF THE
INDEPENDENT AUDITOR
ON THE FINANCIAL STATEMENTS
OF THE LAFOUETTE PUBLIC TRUST FINANCING AUTHORITY
FOR THE YEAR ENDED
MARCH 31, 1987

REPORT OF THE
INDEPENDENT AUDITOR
ON THE FINANCIAL STATEMENTS
OF THE LAFOUETTE PUBLIC TRUST FINANCING AUTHORITY
FOR THE YEAR ENDED
MARCH 31, 1987

REPORT OF THE
INDEPENDENT AUDITOR
ON THE FINANCIAL STATEMENTS
OF THE LAFOUETTE PUBLIC TRUST FINANCING AUTHORITY
FOR THE YEAR ENDED
MARCH 31, 1987

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, 1987, 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. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatements. 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, 1987, 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 28, 1987 on our consideration of Lafayette Public Trust Financing Authority's internal control structure and a report dated July 28, 1987 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

REPORT OF THE
INDEPENDENT AUDITOR
ON THE FINANCIAL STATEMENTS
OF THE LAFOUETTE PUBLIC TRUST FINANCING AUTHORITY
FOR THE YEAR ENDED
MARCH 31, 1987

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**LAFAYETTE PUBLIC TRUST
FINANCING AUTHORITY**
Lafayette, Louisiana

Financial Report

Year Ended March 31, 1997

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or returned, 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.

Printed Date SEP 24 1997