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

Financial Report

Year Ended March 31, 1988

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

Release Date 08/03/87

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KOLDER, CHAMPAGNE, SLAVEN & RAINEY, LLC

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INDEPENDENT AUDITORS' 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 Lafayette City-Parish Consolidated Government, Louisiana, primary government, as of March 31, 1998, 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 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, 1998, 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 24, 1998 on our consideration of Lafayette Public Trust Financing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts.

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" is the title of amounts 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.

Kolder, Champagne, Slaven & Rainey, LLC
Certified Public Accountants

Lafayette, Louisiana
July 24, 1998

**GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)**

LAFAYETTE PUBLIC TRUST FINANCIAL AUTHORITY
Baltimore, Maryland

Combined Balance Sheet - All Fund Types
March 31, 1994

	Governmental		Proprietary		Totals	
	Fund Type		Fund Type		Combined Fund	
	1994	1993	1994	1993	1994	1993
ASSETS						
Restricted assets						
Cash	\$ 1,407	\$ -	\$ 1,407	\$ -	\$ 1,407	\$ -
Interest-bearing deposits	3,456,827	1,146,388	4,796,488	4,581,892	9,592,980	8,768,280
Investments	3,489,978	12,714,639	16,354,617	17,179,882	32,709,234	29,944,161
Accrued interest receivable	-	4,878	4,878	4,874	9,752	4,874
Mortgage loans receivable	-	4,884,382	4,884,382	3,881,638	8,768,764	7,763,316
Accrued interest receivable on loans	-	11,962	11,962	11,962	23,924	23,924
Total restricted assets	4,947,212	19,818,379	23,873,146	21,203,146	45,746,292	42,906,344
Deferred charges:						
Unamortized fund loan costs	-	788,214	788,214	788,214	1,576,428	788,214
Total assets	4,947,212	20,606,593	24,661,360	22,991,360	49,322,720	43,699,558
LIABILITIES AND FUND EQUITY						
Liabilities payable from restricted assets:						
Single family mortgage revenue bonds payable	\$ -	\$ 11,488,550	\$ 11,488,550	\$ 11,488,550	\$ 11,488,550	\$ 11,488,550
Loan Unamortized amounts	-	1,858,814	1,858,814	1,858,814	3,717,628	1,858,814
Net single family mortgage loans outstanding (issued)	-	11,293,849	11,293,849	11,293,849	22,587,698	21,340,168
Accrued service fees	-	1,409	1,409	1,409	2,818	1,409
Accounts payable	889	-	889	889	1,778	889
Accruals/amounts on bonds	-	34,878	34,878	34,878	69,756	34,878
Total liabilities payable from restricted assets	889	23,677,090	23,677,570	23,677,570	47,356,162	45,627,698
Fund Equity:						
Residual earnings -						
Reserved for reserves/fund adjustment	-	3,304,884	3,304,884	3,304,884	6,609,768	3,304,884
Fund balances -						
Unassigned, designated	4,938,323	-	4,938,323	4,679,882	9,617,146	9,617,146
Total fund equity	4,938,323	3,304,884	8,876,646	8,984,766	17,811,415	13,931,830
Total liabilities and fund equity	4,947,212	27,981,974	32,544,216	31,676,326	65,138,431	59,559,488

The accompanying notes are an integral part of this statement.

LAFAYETTE PUBLIC TRUST FINANCIAL AUTHORITY
Lafayette, Louisiana

Comparative Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Fund Type - General Fund
Years Ended March 31, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Revenues:		
Interest on interest-bearing deposits and investments	\$ 196,630	\$ 290,814
Service fee income	5,981	-
Total revenues	<u>202,611</u>	<u>290,814</u>
Expenditures:		
Current -		
General government:		
Legal fee	16,058	7,930
Accounting and auditing	3,490	13,090
Administrative fees - City of Lafayette	957	877
Advertising	-	2,313
Miscellaneous	679	616
Appropriation - Lafayette Consolidated Government - First Time Home Buyers Program	<u>21,000</u>	<u>-</u>
Total expenditures	<u>42,184</u>	<u>24,726</u>
Excess of revenues over expenditures	160,427	266,088
Other financing sources:		
Operating transfers in	<u>-</u>	<u>7,540</u>
Excess of revenues and other financing sources over expenditures	160,427	273,628
Fund balance, beginning	<u>4,671,667</u>	<u>4,798,188</u>
Fund balance, ending	<u>\$ 4,832,094</u>	<u>\$ 5,071,816</u>

The accompanying notes are an integral part of this statement.

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, 1998 and 1997**

	<u>1998</u>	<u>1997</u>
Operating revenues:		
Interest on loans	\$ 473,078	\$ 596,192
Interest on interest-bearing deposits and investments	1,177,933	1,181,566
Miscellaneous income	1,870	-
Total operating revenues	<u>1,752,881</u>	<u>1,777,758</u>
Operating expenses:		
Interest on bonds	678,740	1,155,893
Amortization of bond issue cost	70,883	80,827
Facilities and real estate owned expenses	9,064	-
General and administrative expenses	53,158	58,443
Total operating expenses	<u>1,171,845</u>	<u>1,395,163</u>
Operating income	581,036	482,595
Other financing uses:		
Operating transfers out	-	(7,341)
Net income	581,036	475,254
Retained earnings, beginning	<u>7,790,528</u>	<u>7,315,278</u>
Retained earnings, ending	<u>\$8,371,564</u>	<u>\$7,790,528</u>

The accompanying notes are an integral part of this statement.

LAFAYETTE PUBLIC TRUST FINANCIAL AUTHORITY
Lafayette, Louisiana

Comparative Statement of Cash Flows
Proprietary Fund Type
Enterprise Fund
Year Ended March 31, 1998 and 1997

	1998	1997
Cash flows from operating activities:		
Operating income	<u>\$ 434,355</u>	<u>\$ 434,191</u>
Adjustments to reconcile operating income to net cash provided by operating activities -		
Amortization of bond issue cost	71,483	42,821
Accrual of discount on investments	(600,530)	(402,431)
Accrual of bond discount	20,462	11,489
Changes in assets and liabilities:		
Decrease (increase) in accrued interest receivable	2,699	(141)
Decrease in accrued service fees	(289)	1,114
Decrease in accrued interest on bonds payable	<u>(23,840)</u>	<u>(23,812)</u>
Total adjustments	<u>(530,815)</u>	<u>(575,150)</u>
Net cash provided by operating activities	<u>93,540</u>	<u>(140,959)</u>
Cash flows from noncapital financing activities:		
Principal collected on mortgage loans	1,864,828	1,917,853
Principal paid on mortgage loans	(2,417,004)	(2,714,520)
Transfer to General Fund	-	(2,841)
Net Cash used by noncapital financing activities	<u>(552,176)</u>	<u>(801,508)</u>
Cash flows from investing activities:		
Principal collected on mortgage-backed securities	1,310,334	1,354,171
Net purchase of investments	<u>(184,881)</u>	<u>(216,611)</u>
Net cash provided by investing activities	<u>1,125,453</u>	<u>1,137,560</u>
Net increase (decrease) in cash and cash equivalents	<u>668,817</u>	<u>(804,968)</u>
Cash and cash equivalents, beginning of period	<u>1,061,478</u>	<u>1,876,446</u>
Cash and cash equivalents, end of period	<u>\$ 1,730,295</u>	<u>\$ 1,071,478</u>

(continued)

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Comparative Statement of Cash Flows
Proprietary Fund Type
Electric Fund
Years Ended March 31, 1998 and 1997

	1998	1997
Supplemental disclosures of cash flow information:		
Cash paid during the period:		
Interest	<u>\$ 1,001,780</u>	<u>\$ 1,175,811</u>
 Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning of period -		
Cash - restricted	\$ 48	\$ 3,500
Interest-bearing deposits - restricted	1,041,575	1,078,119
Less: Interest-bearing deposits with a maturity of over three months	-	-
Total cash and cash equivalents	<u>1,041,623</u>	<u>1,081,619</u>
 Cash and cash equivalents, end of period -		
Cash - restricted	-	48
Interest-bearing deposits - restricted	1,040,081	1,041,575
Less: Interest-bearing deposits with a maturity over three months	-	-
Total cash and cash equivalents	<u>1,040,081</u>	<u>1,041,623</u>
 Net increase (decrease)	<u>\$ 178,811</u>	<u>\$ (11,500)</u>

The accompanying notes are an integral part of this statement.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements

11) 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 Lafayette City-Parish Consolidated Government, 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 24:913 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 Lafayette City-Parish Consolidated Government, the primary government. Although legally separate from the Lafayette City-Parish Consolidated Government, the following factors were considered in deciding that the Authority is a component unit of the Lafayette City-Parish Consolidated Government, Louisiana:

1. The trustees of the Authority shall be appointed by the governing authority of the Lafayette City-Parish Consolidated Government.
2. All proposed by-laws and any amendments thereto need to be approved by the governing authority of the Lafayette City-Parish Consolidated Government.
3. No debt obligations may be issued or moneys borrowed without the prior consent of the governing authority of the Lafayette City-Parish Consolidated Government.
4. No funds of the Trust shall be delivered without the prior approval of the governing authority of the Lafayette City-Parish Consolidated Government.

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

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements (Continued)

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.

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 refers to the timing of the measurements made, regardless of the measurement basis applied.

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

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements (Continued)

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. All applicable Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989 are applied unless those pronouncements conflict with or contradict Governmental Accounting Standards Board (GASB) pronouncements.

D. Investments

Orders 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 may invest in direct debt securities of the United States unless such an investment is expressly prohibited by law. Investments are stated at net, 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, 1998; therefore, it did not have a policy on vacation and sick leave, nor did it have a pension plan.

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 unamortized discount.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements (Continued)

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 allocations have not been made in the aggregation of this data.

(7) 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 1.07 of the bond indenture, monies in excess of non-mortgage earnings will be transferred to the debt 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, monies of principal through foreclosures 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, 1990. These expenses include trustee's fee, premiums on the special hazard and performance bond insurance policies as well as other program expenses. If a balance exists in excess of \$20,000 on October 2 of each year, beginning October 2, 1990, 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.

LAFAYETTE 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 loan. Amounts will be disbursed for liquidation and preservation expenses incurred prior to the acquisition of a property.

C. IRRE Bond Issu

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

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 obligation agreement.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements (Continued)

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 firm (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 Quarterly 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 cash of issuance account. Pledged revenues include all payments of principal and interest on GNMA or FHMA securities. Upon receipt of the initial payment under a GNMA or FHMA security, the trustee shall transfer an amount equal to the accrued portion of the purchase price of such GNMA or FHMA security to the revenue fund.

Additionally, an amount equal to one-twelfth of .35 percent of the outstanding principal amount of such GNMA or FHMA security shall be deposited to the authority's cash 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 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 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 account page earnings in which these earnings will be transferred from the revenue fund to the rebate fund. In accordance with the Bond Indenture and Section 140 of the Internal Revenue Code, sixty percent of the monies held by the rebate account will be disbursed to the United States of America.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements (Continued)

(C) Investments

A summary of restricted assets by accounts at March 31, 1988 is as follows:

Accounts	Cash	Interest - Bearing Deposits	Investments	Accrued Interest Receivable
Liquidity reserve	\$ -	\$ 534,945	\$ -	\$2,477
Expense	-	111,289	65,849	483
Lafayette City-Parish	8,457	3,044,817	1,419,978	-
Debt service	-	-	4,948,981	-
Revenue	-	241,608	348,113	1,006
Preservation	-	88,755	-	312
Collection	-	219,621	7,061,899	511
Redemption	-	-	347,182	-
Total	\$8,457	\$4,206,405	\$14,025,813	\$4,829

A recap of investments at March 31, 1988 by risk level restricted asset type follows:

Accounts	Cash	Accrued Interest	Carrying Value	Face Amount	Discounted Amount
Expense account	\$ 65,849	\$ -	\$ 65,849	\$ 170,000	\$ 156,114
Laf. City-Parish	1,419,978	-	1,419,978	1,419,978	-
Debt service account	3,044,817	1,894,854	4,949,671	10,582,289	14,214,298
Revenue account	241,608	-	241,613	248,213	-
Collection account	7,061,899	-	7,061,899	7,079,483	11,762
Redemption	347,182	-	347,182	347,182	-
Total	\$11,479,341	\$1,894,854	\$16,709,617	\$19,439,751	\$14,226,074

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.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements (Continued)

The March 31, 1998, carrying amount of the securities which comprise the investments listed above are summarized as follows:

	Carrying Amount	Category
FNMA - Zero coupon bonds	\$ 4,815,700	1
FNMA - Mortgage-backed securities	\$ 477,815	1
U.S. Government obligations	69,388	1
Blitheway Investment agreement	900,879	1
Miscellaneous	112	
Total	\$16,264,017	

Marketable investment securities are carried at cost plus accrued discount. The carrying value and estimated market values of investments are as follows as of March 31, 1998:

Accounts	Carrying Amount	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
FNMA - Zero coupon bonds	\$ 4,815,700	\$2,216,860	\$ -	\$ 7,032,560
FNMA - Mortgage-backed Securities	477,815	17,686	-	4,95,501
U.S. Government obligations	69,388	13,267	-	132,799
Blitheway Investment Agreement	900,879	-	-	900,879
Miscellaneous	112	-	-	112
Totals	\$14,264,017	\$2,247,353	\$ -	\$16,511,379

(4) 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.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements (Continued)

(4) Unamortized Bond Issue Costs

Unamortized bond issue cost at March 31, 1997	\$740,957
Less: Amortization for the year ended March 31, 1998	(15,682)
Total unamortized bond issue costs at March 31, 1998	\$725,275

(5) Bonds Payable

- A. The single family mortgage revenue refunding bonds 1996 Series A are dated September 1, 1996, original principal of \$18,500,000 bearing interest at 8.5 percent per annum. Principal and interest are payable on the 15th 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, subjecting to 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, 2000. Payment will be equal to 100 percent of the unpaid principal plus accrued interest to date.
- B. Taxable refunding bond series 1991A, Class A-1, Class A-2 and A-3, is the aggregate principal of \$18,500,000. 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 8.25 percent beginning on the date of issuance until the date of maturity, which is July 15, 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 15, 2014.

Taxable refunding bonds series 1991B, Class B-1 and Class B-2, is the aggregate principal of \$4,125,000. 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 escrow account of one-fourth 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 8.5 percent and principal, will be payable on July 15, 2014.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements (Continued)

- C. The Series 1995 single family mortgage revenue bonds were dated February 1, 1995, original principal of \$11,800,000 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, 1998:

Net Bonds payable, beginning of year	\$13,466,604
Add: Discount accreted	21,462
Less: Bonds retired	<u>(12,181,011)</u>
Net Bonds payable, end of year	<u>\$11,307,055</u>

Principal outstanding on all bonds as of March 31, 1998 are as follows:

1990 Bond Issue	\$ 3,850,783
1991 Bond Issues:	
Class A-1	3,258,349
Class A-2	4,800,000
Class A-3	300,000
Class B-1	1,375,836
Class B-2	<u>400,000</u>
	<u>\$11,485,018</u>

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 in maturity as required by the Financial Accounting Standards Board's (FASB) Statement 47 cannot be disclosed.

(8) 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, 1998.

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements (Continued)

(7) Litigation

There was no litigation pending against the Authority as of March 31, 1998.

(8) 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.

(9) Prior Year Debt Defeasance

In prior years, the Lafayette Public Trust Financing Authority has defeasanced 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 bond earnings from the investments are sufficient to fully service the defeasanced debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeasanced and therefore removed as a liability from the Authority's financial statements. As of March 31, 1998, the amount of defeasanced debt outstanding but removed from the financial statements amounted to \$16,140,808.

(10) Intergovernmental Agreement

Lafayette Public Trust Financing Authority entered into an agreement with the Lafayette City-Parish Consolidated Government, hereinafter Lafayette Public Trust Financing Authority, whereby 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 direction of the Authority as evidenced by resolutions signed by the Authority's chairman. All resolutions 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, 1998 the City is managing interest-bearing deposits and investments totaling \$4,906,000, which is reflected in the financial statements of the Authority.

(11) Cooperative Endorsement Agreement

On January 31, 1998, 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 \$260,000 associated with the issuance of the 1995 bond issue and states that certain assets transferred to the trustee for the 1991A 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

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

Notes to Financial Statements (Continued)

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 LRFPA does not incur any costs which are not recoverable from the previously mentioned transferred assets. The potential recoverability of the \$250,000 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 gains and liabilities are ordinarily not recorded until they are actually realized.

(12) Joint Cooperative Agreement

Lafayette Public Trust Financing Authority entered into an agreement with the Lafayette City-Parish Consolidated Government, whereby the Authority agreed to provide funds totaling \$150,000 on an "as requested" basis for the purpose of establishing and implementing a low interest revolving loan program to assist first time homebuyers in the Parish of Lafayette. Eligible participants may receive up to \$5,000, to be repaid at an interest rate of five percent (5%) per year for a loan term not to exceed fifteen (15) years. The funds may be used only for the purposes of offsetting closing costs and/or as a down payment.

This agreement commenced on the 02nd day of February, 1998 and will end on December 31, 1998. The agreement automatic renews on a calendar year basis for successive terms of one year unless either party provides written notice of its intent to terminate. In the event of termination, Lafayette City-Parish Consolidated Government is obligated to distribute any funds collected as repayments from borrowers and/or remaining and available in program accounts to the Authority.

SUPPLEMENTAL INFORMATION

Lafayette Mobile Trust Financing Activity
Lafayette, Louisiana

Comparative Quarterly/Annual Data - Supplemental Foot
Period 3, 2019 and 2017

Description	2019 Period		2018 Period		2017 Period		Total	
	2019	2018	2019	2018	2017	2018	2017	Total
Net cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest-bearing deposits	445,116	192,758	491,047	499,273	-	-	-	990,320
Impairments	78,457	1,083,517	2,378,420	-	-	-	-	3,461,937
Accrued interest receivable	1,099	319	1,249	1,249	-	-	-	2,598
Multiple trust receivable	500,000	1,916,611	2,498,396	-	-	-	-	2,914,997
Amounts due from related parties	28,381	11,706	17,509	11,707	-	-	-	49,803
Total receivables	1,042,053	3,024,911	5,386,671	5,111,479	-	-	-	10,598,150
Collateral charges	111,782	111,821	279,492	41,182	-	-	-	352,475
(Nonrecourse) total loan pay	\$ 930,271	\$ 2,913,090	\$ 5,107,179	\$ 5,152,661	\$ -	\$ -	\$ -	\$ 10,259,940

Total Assets

UNLIMITED JURISDICTION ENTITY

Lafayette operates three variable trusts
Single family multiple trust (total assets)
Multiple trust
Trust receivable account

On single family mortgage
Trust (collateralizing (interest))

Accrued interest for
Accrued interest on loans
Trust receivable payable
Loan amortization

Total equity:

Trustee's margin
Reserve for variable trust activities

Total liabilities and equity

Description	2019 Period		2018 Period		2017 Period		Total	
	2019	2018	2019	2018	2017	2018	2017	Total
Single family multiple trust (total assets)	\$ 1,042,053	\$ 3,024,911	\$ 5,386,671	\$ 5,111,479	-	-	-	\$ 10,598,150
Multiple trust	-	-	2,378,420	-	-	-	-	2,378,420
Trust receivable account	1,099	319	1,249	1,249	-	-	-	2,598
On single family mortgage Trust (collateralizing (interest))	1,042,053	3,024,911	5,386,671	5,111,479	-	-	-	10,598,150
Accrued interest for Accrued interest on loans	1,099	319	1,249	1,249	-	-	-	2,598
Trust receivable payable Loan amortization	1,042,053	3,024,911	5,386,671	5,111,479	-	-	-	10,598,150
Total equity:	1,042,053	3,024,911	5,386,671	5,111,479	-	-	-	10,598,150
Trustee's margin Reserve for variable trust activities	-	-	-	-	-	-	-	-
Total liabilities and equity	\$ 1,042,053	\$ 3,024,911	\$ 5,386,671	\$ 5,111,479	\$ -	\$ -	\$ -	\$ 10,598,150

California Public Transportation Authority
 (California Transit)

Comparative Combining Statement of Operations, Expenses and Changes in Net Assets/Equity

Year Ended March 31, 1998 and 1997

	1998		1997		1996		1995		1994	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
Operating revenues										
Income on loans	\$ 144,443	\$ 30,368	\$ 131,243	\$ 29,377	\$ -	\$ -	\$ 40,376	\$ 10,130	\$ 164,130	\$ 16,130
Interest on investments	41,008	8,604	1,214,267	1,258,879	-	-	1,079,959	1,079,959	1,194,446	1,194,446
Interest on investments	1,072	-	-	-	-	-	1,072	1,072	-	-
Total operating revenues	\$ 146,523	\$ 38,972	\$ 1,345,510	\$ 1,288,256	\$ -	\$ -	\$ 1,121,407	\$ 1,121,407	\$ 1,358,576	\$ 135,576
Operating expenses										
Interest on loans	\$ 94,476	\$ 19,509	\$ 81,263	\$ 17,486	-	-	\$ 89,156	\$ 22,490	\$ 1,150,090	\$ 115,090
Interest on loans	34,237	7,283	41,258	9,079	-	-	50,043	12,837	40,517	4,052
Administration of bond issue sale	6,064	-	-	-	-	-	6,064	1,514	-	-
Maintenance and minor construction	27,966	6,000	40,015	8,407	-	-	37,966	9,444	89,443	8,944
General and administrative expenses	144,171	30,187	271,029	59,002	-	-	113,167	28,542	1,173,526	117,352
Total operating expenses	\$ 134,684	\$ 34,987	\$ 122,295	\$ 26,492	\$ -	\$ -	\$ 146,292	\$ 37,453	\$ 1,313,516	\$ 131,352
Operating income	\$ 11,839	\$ 3,985	\$ 1,123,215	\$ 1,061,764	\$ -	\$ -	\$ 675,155	\$ 174,954	\$ 44,060	\$ 4,224
Other financing uses										
Operating transfers in	-	-	-	-	-	-	23,243	5,843	-	-
Retirement (paid)	22,540	4,807	91,204	19,709	-	-	63,251	16,209	446,619	44,662
Financial savings (beginning)	1,481,178	3,113,630	4,084,409	8,811,933	-	-	3,241	0,836,378	5,439,178	543,918
Financial savings (ending)	\$ 1,484,139	\$ 3,117,179	\$ 1,457,911	\$ 3,147,408	\$ -	\$ -	\$ 4,004,944	\$ 10,362,028	\$ 17,963,028	\$ 1,796,328

Lafayette Public Trust Financing Authority
Lafayette, Louisiana
Escrow Fund

Schedule of General and Administrative Expenses
Year Ended March 31, 1998
With Comparative Totals for March 31, 1997

	Escrow Income			Totals	
	1998	1997	1997	1998	1997
Accrual of bond discounts	\$ -	\$11,641	\$ -	\$11,641	\$11,641
Mortgage insurance	4,142	1,829	-	8,065	10,259
Accounting and auditing	1,440	1,228	-	8,790	-
Servicing fees	12,000	7,088	-	10,528	12,624
Taxes fees	1,758	7,088	-	10,758	11,508
Miscellaneous	2,828	18	-	2,828	2,828
Total	\$22,968	\$28,882	\$ -	\$22,968	\$28,882

INTERNAL CONTROL AND COMPLIANCE

KOLDER, CHAMPAGNE, SLAVEN & RAINEY, LLC

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

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 Lafayette City-Parish Consolidated Government, Louisiana, primary government, for the year ended March 31, 1998, and have based our report thereon dated July 15, 1998. We conducted our audit in accordance with generally accepted auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Lafayette Public Trust Financing Authority's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Lafayette Public Trust Financing Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the 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 found no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

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.

Kofler, Champagne, Slaven & Rainey, LLC
Certified Public Accountants

Lafayette, Louisiana
July 24, 1998

LAFAYETTE PUBLIC TRUST FINANCING AUTHORITY
Lafayette, Louisiana

**Schedule of Prior Year Findings
For the Year Ended March 31, 1998**

There were no findings reported in the March 31, 1997 audit that required follow-up procedures.