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LEGISLATIVE COUNCIL

LAFAYETTE ECONOMIC  
DEVELOPMENT AUTHORITY  
Lafayette, Louisiana

Financial Report

Year Ended December 31, 1987

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 JUN 01 1988

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**Darnall, Sikes  
& Frederick**

AN INDEPENDENT MEMBER FIRM OF PricewaterhouseCoopers

James B. Darnall, CPA, President

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**Independent auditor's report**

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Chairman of the Board, Dr. Patricia Castellini  
 and Members of the Board of Commissioners  
 Lafayette Economic Development Authority  
 Parish of Lafayette, Louisiana

We have audited the accompanying general purpose financial statements of the Lafayette Economic Development Authority of the Parish of Lafayette, Louisiana, (the Authority), a component unit of the Lafayette Consolidated Government, as of and for the year ended December 31, 1997, as listed in the table of contents. These general purpose financial statements are the responsibility of the Lafayette Economic Development Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in 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 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 Economic Development Authority, as of December 31, 1997, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated April 10, 1998, on our consideration of the Lafayette Economic Development Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the 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 stated 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 reports for that year in which we expressed an unqualified opinion on the general purpose financial statements of the Lafayette Economic Development Authority.

*Darnall, Sigs & Frederick*

A Corporation of Certified Public Accountants

Lafayette, Louisiana  
April 18, 1998

GENERAL PURPOSE FINANCIAL STATEMENTS  
(COMBINED STATEMENTS - CONDENSED)

LAUREATE ECONOMIC DEVELOPMENT AUTHORITY

Combined Balance Sheet - All Fund Types and Income Groups  
 December 31, 2017

ASSETS

<b>Cash</b>									
Invested cash									
Investments, at cost									
Investments - fund assets at cost for special districts									
Due from capital projects fund									
Due from special districts fund									
Due from other departments, funds									
Recovery of fund held for resale									
LPV									
SLP									
SLP									
Amount to be provided for retirement of general long term debt									
<b>Total assets</b>	\$ 21,784,217	\$ 667,127	\$ 2,162,323	\$ 2,008,478	\$ 1,508,000	\$ 11,750,341	\$ 9,486,167	\$ 2,000,000	\$ 2,000,000

LIABILITIES AND FUND EQUITY

11000111100									
Accounts payable									
Other accounts liabilities									
Due to general fund									
Amounts due to bondholders and investors									
Long term debt									
Liabilities under capital leases									
Liabilities under long term bonds									
11000110000									
<b>Total liabilities</b>	\$ 43,479	\$ 62,882	\$ -	\$ -	\$ -	\$ 68,958	\$ 8,648	\$ 2,000,000	\$ 2,000,000
11000111100									
Due to general fund									
Amounts due to bondholders and investors									
Long term debt									
Liabilities under capital leases									
Liabilities under long term bonds									
11000110000									
<b>Total fund equity</b>	\$ 21,740,738	\$ 604,245	\$ 2,162,323	\$ 2,008,478	\$ 1,508,000	\$ 11,681,383	\$ 9,477,519	\$ 2,000,000	\$ 2,000,000

Fund Held To

Invested in general fund assets									
Fund balances -									
Assigned for inventory of land held for resale									
Unassigned -									
Unassigned									
Total fund balance	\$ 2,000,000	\$ 2,000,000	\$ -	\$ -	\$ -	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Total fund equity	\$ 2,000,000	\$ 2,000,000	\$ -	\$ -	\$ -	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000

Total 1100111100 and fund equity

	\$ 23,784,217	\$ 667,127	\$ 2,162,323	\$ 2,008,478	\$ 1,508,000	\$ 11,750,341	\$ 9,486,167	\$ 2,000,000	\$ 2,000,000
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The accompanying notes are an integral part of this statement.

**LARSEN'S ECONOMIC DEVELOPMENT AUTHORITY**

**Revised Statement of Revenues, Expenditures, and Changes in Fund Balances -  
All Governmental Fund Types  
Years Ended December 31, 1997 and 1996**

	General	Capital Projects	Totals	
			1997	1996
<b>Revenues:</b>				
Taxes	\$ 445,173	\$ -	\$ 445,173	\$ 445,497
Intergovernmental	163,740	-	163,740	162,056
Gifts of land	-	-	-	19,710
Miscellaneous	170,000	13,540	183,540	172,884
Total revenues	<u>1,387,260</u>	<u>13,540</u>	<u>1,400,800</u>	<u>1,420,147</u>
<b>Expenditures:</b>				
Current -				
General government	898,760	127,474	1,026,234	898,430
Capital outlay	26,707	-	26,707	24,029
Debt service	10,000	-	10,000	1,523
Total expenditures	<u>935,467</u>	<u>127,474</u>	<u>1,062,941</u>	<u>923,982</u>
Excess (deficiency) of revenues over expenditures	<u>451,793</u>	<u>2,066</u>	<u>453,859</u>	<u>496,165</u>
<b>Other financing sources (uses):</b>				
General obligation bond proceeds	-	1,234,000	1,234,000	-
Proceeds from capital lease	-	-	-	8,641
Operating transfers in	645,000	-	645,000	-
Operating transfers out	<u>(645,000)</u>	<u>(645,000)</u>	<u>(1,290,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>645,000</u>	<u>589,000</u>	<u>1,234,000</u>	<u>8,641</u>
Excess of revenues and other sources over expenditures and other uses	<u>1,096,793</u>	<u>260,106</u>	<u>1,356,899</u>	<u>504,806</u>
Fund balances, beginning	<u>2,870,963</u>	<u>-</u>	<u>2,870,963</u>	<u>2,828,620</u>
Fund balances, ending	<u>\$3,967,686</u>	<u>\$ 260,106</u>	<u>\$4,227,792</u>	<u>\$3,333,426</u>

The accompanying notes are an integral part of this statement.

LA SALLE ECONOMIC DEVELOPMENT AUTHORITY

Combined Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget (GRAP Basis) and Actual - General Fund  
Year Ended December 31, 1997

	Budget	Actual	Variance - (Favorable Unfavorable)
<b>Revenues:</b>			
Taxes	\$ 818,800	\$ 868,573	\$ 49,773
Intergovernmental	310,800	383,540	72,740
Sale of land	-	-	-
Miscellaneous	83,800	393,828	310,028
<b>Total revenues</b>	<b>1,213,400</b>	<b>1,645,941</b>	<b>432,541</b>
<b>Expenditures:</b>			
CURRENT -			
General government	1,344,000	848,160	495,840
Capital outlay	28,000	38,787	10,787
Debt service	-	55,385	55,385
<b>Total expenditures</b>	<b>1,372,000</b>	<b>942,332</b>	<b>429,668</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(158,600)</b>	<b>703,609</b>	<b>862,209</b>
<b>Other financing sources:</b>			
Spending transfers in	-	653,808	653,808
<b>Excess (deficiency) of revenues and other sources over expendi- tures</b>	<b>(158,600)</b>	<b>1,357,417</b>	<b>1,516,017</b>
<b>Fund balance, beginning</b>	<b>5,870,843</b>	<b>5,870,843</b>	<b>-</b>
<b>Fund balance, ending</b>	<b>\$5,712,243</b>	<b>\$7,228,260</b>	<b>\$1,516,017</b>

The accompanying notes are an integral part of this statement.



## LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

### Notes to Financial Statements

#### 14) Summary of Significant Accounting Policies

The Lafayette Economic Development Authority (Authority) is a political subdivision of the State of Louisiana created under Louisiana Revised Statute 18:191-18:193. It was originally formed under the name of Lafayette Harbor, Terminal and Industrial Development District. The Authority is governed by a Board of Commissioners consisting of twelve appointed members. The Authority is authorized to construct or acquire industrial parks and industrial plant buildings, including sites and other necessary property and improvements, and to acquire, construct, improve, operate, maintain, and provide improvement and services necessary. It is also authorized to sell, lease or otherwise dispose of, by suitable and appropriate contract, to any enterprise existing or existing within the parish, all or any part of an industrial plant site, industrial plant building or other property owned by the Authority.

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 Statute 18:113, as well as any applicable requirements set forth by *Standards of State and Local Governmental Units*, the industry audit guide issued by the American Institute of Certified Public Accountants, and the Louisiana Governmental Audit Guide.

The following is a summary of certain significant accounting policies:

#### A. Financial Reporting Entity

The Authority is a component unit of the Lafayette Consolidated Government, and is an integral part of that reporting entity.

This report includes all funds, account groups and component units which are controlled by or dependent on the Lafayette Economic Development Authority. Control by or dependence on the Authority was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, or other general oversight responsibility. At December 31, 1991, there were no entities that met the criteria to be considered a component unit of the Authority.

#### B. Fund Accounting

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

## LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

### NOTES TO FINANCIAL STATEMENTS (Continued)

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

The Authority's funds are classified into two categories: governmental and fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental fund types are used to account for all or most of government's general activities, including the acquisition or construction of general fixed assets (capital project funds), and the servicing of general long-term debt (debt service fund). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Agency Funds are used to account for assets held by banks in a trustee capacity for the Authority. These funds are used to account for leases and related receipts from lessees as well as bond, interest and related payments made to bondholders for industrial development revenue bonds issued by the Authority.

#### C. Fixed Assets and Long-Term Liabilities

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by the measurement focus.

All governmental fund type operations are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheet.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group and are recorded as expenditures in the governmental fund types when purchased. No depreciation has been provided on general fixed assets.

All fixed assets are stated at historical cost. Construction period interest, when significant, is capitalized. No interest costs were capitalized in the current year.

Long-term liabilities expected to be financed from governmental funds are accounted for in the general long-term debt Account Group.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Notes to Financial Statements (Continued)

**D. Basis of Accounting**

All of the Authority's governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

All valuer taxes are recognized as revenues in the year in which such taxes are levied and billed to taxpayers. Other major revenues that are considered susceptible to accrual include earned grant revenues and other intergovernmental revenues, and interest on investments.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term debt which are recognized when due. Purchases of various operating supplies are recorded as expenditures at the time purchased.

Fund balance reserve accounts have been established for inventory of land in the governmental fund types to indicate that they do not represent "available spendable resources", even though they are a component of the net current assets.

Agency funds do not involve measurement and results of operations. They are accounted for using the modified accrual basis of accounting, recognizing assets and liabilities when they occur regardless of the timing of related cash flow.

**E. Budget and Budgetary Accounting**

The budget is formally adopted by the Authority upon approval by the Lafayette Consolidated Council, prior to the beginning of the fiscal year. Notices of its completion and availability are published. After its adoption, adjustments to the budget for transfers between funds, changes in the capital budget, or for appropriation of unobligated funds must be approved by the Lafayette Consolidated Council. All annual appropriations lapse at year end.

**F. Investments**

Investments, in the form of time deposits, are stated at cost which approximates market.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Notes to Financial Statements (Continued)

G. Inventory of Land Held for Resale

The inventory of land held for resale is valued at cost. The cost is recorded as an expenditure at the time the land is sold. The inventory of land held for resale at year end is equally offset by a fund balance reserve to indicate that it does not constitute "available spendable resources," even though it is a component of net current assets.

H. Vacation, Sick Leave and Pension Plan

Vacations vary with longevity as follows:

<u>Service Time</u>	<u>Vacation</u>
After six months up to two years	One week
From two years to seven years	Two weeks
After seven years	Three weeks

No more than thirty days of allowed vacation time can be carried over into the next calendar year. On December 31 of each year, any vacation time in excess of the accumulated vacation time allowed will be lost. Vacation pay is recorded as an expenditure at the time of payment. The liability associated with those compensated absences is not reflected in these financial statements due to its immateriality.

Sick leave accrues at the rate of 10 days per year and is available for carryover.

All employees are members of the social security system. Social security contributions for 1987 totaled \$21,848.

The Authority established a retirement program for employees, effective February 18, 1983, through the American Chamber of Commerce Executives Association. Key program provisions follow:

- Employees are eligible after completing one year of service and becoming 23 years of age.
- The Authority's annual contribution is 8 percent of base salary. The 1987 contribution was \$20,408.
- Participants may contribute from 2 percent to 18 percent of their earnings per year. Such contributions are 100 percent vested at the time of contribution.

LAKEVIEW ECONOMIC DEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS (Continued)

- Full vesting of the Authority's contribution occurs after 6 years of participation. Participants vest at the rate of 20 percent per year beginning in the second year of participation.
- Forfeitures are returned to the Authority within one year of a participant's service break.

**F. 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 in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**G. 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 government's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

**H. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

**I. Restricted Cash**

Restricted cash represents amounts to be set aside annually in the sinking fund as required by the Certificate of Indebtedness, for repayment of the bond principal and interest.

**(3) Cash and Interest-Bearing Deposits**

Under state law, the Authority may deposit funds within a fiscal agency bank organized under the laws of the state of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Authority may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. All

**LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY**

**Notes to Financial Statements (Continued)**

December 31, 1987, the Authority has cash and interest-bearing deposits (bank balances) totaling \$2,378,268, as follows:

Demand deposits	\$ 738,787
Certificates of deposits	<u>1,639,481</u>
<b>Total</b>	<b><u>\$2,378,268</u></b>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by Federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at December 31, 1987, are as follows:

Bank balances	<u>\$1,397,188</u>
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At December 31, 1987, the deposits are secured as follows:

Federal deposit insurance	\$ 488,880
Pledged securities (Category 3)	<u>1,411,368</u>
<b>Total federal deposit insurance and pledged securities</b>	<b><u>\$2,411,368</u></b>

Pledged securities in Category 3 are comprised of unsecured and unregistered investments with securities held by the pledging institution, or by its trust department or agent, but not in the Authority's name. Even though the pledged securities are considered uncollateralized (Category 3 - Louisiana Revised Statute 19:1238 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 18 days of being notified by the Authority that the fiscal agent has failed to pay deposited funds upon demand.

**(3) Ad Valorem Taxes**

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Parish Government in June and are annually billed to the taxpayers by the Assessor in October. Billed taxes are due by December 31, becoming delinquent on January 1, of the following year.

Ad valorem taxes are budgeted and recorded in the year levied and billed. The taxes are based on assessed values determined by the Tax Assessor of Lafayette Parish and are collected by the Sheriff. The taxes are remitted net of deductions for Assessor's compensation and pension fund contributions.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Notes to Financial Statements (Continued)

For the year ended December 31, 1987, taxes were levied at the rate of 2.0 mills for general corporate purposes on property with assessed valuations totaling \$735,912,484.

The allowance for uncollectible receivables at December 31, 1987, is \$139,385.

Net revenues from ad valorem taxes represent 78% of total revenues, excluding other financing sources, at December 31, 1987.

(d) Fixed Assets

A summary of changes in general fixed assets follows:

	Balance 12/31/85	Additions	Deletions	Balance 12/31/87
Land	\$148,780	\$ -	\$ -	\$148,780
Equipment	288,482	261,707	-	550,189
	<u>\$437,262</u>	<u>\$261,707</u>	<u>\$ -</u>	<u>\$698,971</u>

(e) Capital Leases

During 1984, the Authority entered into a lease agreement as lessee for financing the acquisition of computer equipment with a down payment of \$881. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of inception. Total equipment under capital lease at December 31, 1986 was \$4,411. The lease was paid off in April 1987.

(f) Long-Term Debt

On April 17, 1987, the State Bond Commission approved the Lafayette Economic Development Authority to issue debt and borrow the amount of \$1,120,000 and to issue Certificates of Indebtedness for the purpose of paying a portion of the cost of acquiring sites for industrial parks, and acquiring, constructing and providing improvements necessary therefor, and to pay the costs incurred in connection with the issuance of the certificates. The certificates are dated May 1, 1987 and bear interest at a rate of 7.25 percent per annum, payable on May 1 and November 1 of each year, commencing November 1, 1987, and maturing on May 1 in each of the years 1990 through 1912.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS (Continued)

Annual debt service requirements to maturity for the Certificates of Indebtedness, including interest of \$947,838, are as follows:

December 31,	
1999	\$ 144,822
2000	145,836
2001	146,850
2002	147,864
2003	147,213
Thereafter	1,380,153
<b>Total</b>	<b>\$2,152,728</b>

A summary of changes in general long-term debt follows:

	Balance			Balance
	12/31/02	Additions	Retirements	12/31/03
obligations under capital lease	\$7,877	\$ -	\$7,877	\$ -
Obligations under long-term bonds	-	1,380,808	-	1,380,808
<b>Total</b>	<b>\$7,877</b>	<b>\$1,380,808</b>	<b>\$7,877</b>	<b>\$1,380,808</b>

The Authority issues industrial development revenue bonds for the purpose of financing the acquisition of certain industrial facilities which it leases as well as qualifying industrial businesses. Such facilities and the revenue derived from their sale or lease are pledged to service the bonds. These bonds do not constitute an indebtedness or pledge of the general credit of the Authority and therefore, are not included in the financial statements. A detailed summary of all industrial development revenue bonds outstanding at December 31, 1997, is shown on page 24.

(7) LITIGATION

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

(8) Office Building Lease

The Authority entered into a lease for the period of thirty-nine months for office space on Pinhook Road commencing January 1, 1993. The operating lease provides for a three year renewal option, which has been exercised by the Authority. Effective April 1, 1997, the lease was renewed for a twenty-four month term expiring March 31, 1999.



SHARLETTE ECONOMIC DEVELOPMENT AUTHORITY

Notes to Financial Statements (Continued)

Minimum future rental payments under the non-cancelable operating leases are as follows:

Year ending December 31,	
1998	\$83,351
1999	<u>13,188</u>
	<u>\$96,539</u>

Rent expense paid for the year ended December 31, 1997, totaled \$49,894.

(9) Estimated Fund Balance

During 1998, the Board of Commissioners approved the designation of \$18,800 per year to provide for the long-term maintenance of the infrastructure of the two industrial parks owned by the Authority.

(10) Interfund Receivables/Payables

	Interfund Receivables	Interfund Payables
General Fund	632,496	\$ -
Capital Projects Fund	<u>-</u>	<u>27,888</u>
	<u>\$632,496</u>	<u>\$27,888</u>

(11) Operating Transfers In/Out

	Transfers In	Transfers Out
General Fund	\$882,888	\$ -
Capital Projects Fund	<u>-</u>	<u>882,888</u>
	<u>\$882,888</u>	<u>\$882,888</u>

FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS  
AND ACCOUNT GROUPS

## GENERAL FUND

The General Fund is used to account for resources traditionally associated with governments which are not required legally or by sound financial management to be accounted for in another fund.

LAKSHYITA ECONOMIC DEVELOPMENT AUTHORITY  
GENERAL FUND

Comparative Balance Sheets  
December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
<b>ASSETS</b>		
Cash	\$ 49,484	\$ 21,700
Restricted cash	28,136	-
Investments, at cost	2,887,881	2,560,614
Ad valorem taxes receivable less allowance for uncollectible taxes	808,872	848,786
Due from Capital Projects Fund	22,088	-
Due from other governmental units	87,518	88,081
Inventory of land held for resale	<u>4,881,385</u>	<u>3,418,181</u>
<b>Total assets</b>	<b>\$7,186,074</b>	<b>\$6,938,262</b>
	*****	*****
<b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 45,479	\$ 8,448
Other accrued liabilities	<u>180,714</u>	<u>18,000</u>
<b>Total liabilities</b>	<b><u>226,193</u></b>	<b><u>26,448</u></b>
<b>Fund balance:</b>		
Reserved for inventory of land held for resale	4,881,385	3,418,181
Unassigned-		
Undesignated	2,328,488	2,487,872
Designated	<u>38,088</u>	<u>75,800</u>
	<u>4,911,856</u>	<u>4,873,853</u>
<b>Total liabilities and fund balance</b>	<b>\$7,186,074</b>	<b>\$6,915,603</b>
	*****	*****

**LAFAYETTE ECONOMIC DEVELOPMENT AGENCY**  
General Fund

Statements of Revenues, Expenditures, and Changes in Fund Balance -  
Budget (ORAP 8001) and Actual  
Year Ended December 31, 1997  
With Comparative Actual Amounts for the Year Ended December 31, 1996

	1997		Variance - Favorable / (Unfavorable)	1996 Actual
	Budget	Actual		
<b>Revenues:</b>				
Taxes	\$ 313,000	\$ 282,173	\$ 30,827	\$ 284,807
Intergovernmental	118,000	121,583	(3,583)	103,000
Sale of land	-	-	-	174,128
Miscellaneous	81,000	120,216	39,216	122,882
<b>Total revenues</b>	<b>5,181,000</b>	<b>5,207,062</b>	<b>26,062</b>	<b>5,438,717</b>
<b>Expenditures:</b>				
Current -				
General government	1,341,000	948,148	392,852	885,420
capital outlay	20,000	18,797	1,203	824,888
debt service	-	88,388	88,388	1,722
<b>Total expenditures</b>	<b>1,361,000</b>	<b>1,055,333</b>	<b>305,667</b>	<b>1,692,030</b>
<b>Excess (deficiency) of revenues over expenditures</b>				
	(200,000)	121,729	321,729	21,888
<b>Other financing sources:</b>				
proceeds from capital lease	-	-	-	8,881
Operating transfers in	-	883,828	883,828	-
<b>Total other financing sources</b>	<b>-</b>	<b>883,828</b>	<b>883,828</b>	<b>8,881</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>				
	(200,000)	1,000,887	1,200,887	32,831
<b>Fund balance, beginning</b>	<b>5,318,363</b>	<b>5,408,363</b>	<b>90,000</b>	<b>5,318,363</b>
<b>Fund balance, ending</b>	<b>51,709,343</b>	<b>52,371,850</b>	<b>662,147</b>	<b>52,371,850</b>

**LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY**  
**General Fund**

Statements of Revenues - Budget (MMP) Basis and Actual  
 Year Ended December 31, 1997  
 With Comparative Actual Amounts for the Year Ended December 31, 1996

	1997		Variance - Favorable (Unfavorable)	1996 Actual
	Budget	Actual		
<b>Taxes:</b>				
Ad valorem	\$ 818,000	\$ 848,173	\$ 30,173	\$ 848,187
<b>Intergovernmental:</b>				
State of Louisiana - State revenue sharing	138,480	142,140	3,660	142,456
<b>Sale of land</b>	-	-	-	184,180
<b>Miscellaneous:</b>				
Interest	30,000	111,400	81,400	123,100
Other sources	51,800	83,617	30,617	88,780
<b>Total revenues</b>	<b>\$1,388,000</b>	<b>\$1,387,341</b>	<b>\$189,341</b>	<b>\$1,436,143</b>

**LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY**  
General Fund

Statements of Expenditures - Budget (SMAP Basis) and Actual  
Year Ended December 31, 1997  
with Comparative Actual Amounts for the Year Ended December 31, 1996

	1997		Variance - (Unfavorable)	1996 Actual
	Budget	Actual		
<b>General government:</b>				
<b>CURRENT -</b>				
Related and related benefits	\$ 318,000	\$138,833	\$ 1,268	\$ 138,833
Existing business				
retail/LOE	48,000	30,814	\$ 488	30,836
professional development	28,000	35,484	6,308	28,178
Recruiting and headquarter visits	28,000	28,187	\$ 843	61,565
Advertising and marketing	20,000	28,940	10,810	47,181
office operations	100,000	89,817	743	88,178
Industrial property maintenance	28,000	28,184	18,718	28,847
Information services	48,000	22,323	\$ 845	-
Trade development	28,000	28,882	\$ 308	-
small business development	28,000	8,783	28,218	-
Workforce Connections Program	78,000	82,288	11,832	-
legal advice and audit	28,000	8,818	3,182	6,122
General Insurance	28,000	8,923	1,877	8,812
Louisiana Public Retirement Contributions				
deductions	28,000	25,836	(8,818)	28,832
Professional fees	28,000	28,812	15,988	28,327
Governmental affairs				
litiges	28,000	28,880	-	10,880
Contingencies	28,000	-	(28,000)	21,817
special projects	482,000	82,280	288,718	821,210
<b>Capital outlay:</b>				
Equipment and furniture	28,880	28,707	(1,973)	28,967
Land	-	-	-	487,872
<b>Debt service:</b>				
Principal	-	7,877	(7,877)	1,364
<b>Interest</b>	<b>-</b>	<b>68,318</b>	<b>158,318</b>	<b>808</b>
Total general government, capital outlay and debt service	\$1,147,880	\$802,283	\$488,718	\$1,412,254

CAPITAL RESERVE FUND

To account for the construction, improvement and acquisition of industrial parks and buildings other than those projects financed by industrial development revenue bonds issued by the Authority.



LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY  
Capital Projects Fund

Combining Balance Sheet  
December 31, 1997

ASSETS

Cash	8647.187
Total Assets	8647.187

LIABILITIES AND FUND BALANCE

Accounts payable	\$ 81.881
Due to General Fund	<u>32.128</u>
Total Liabilities	<u>114.009</u>
Fund balance -	
unreserved, undesignated	<u>8533.178</u>
Total Liabilities and Fund Balance	8647.187

SARASOTA ECONOMIC DEVELOPMENT AUTHORITY  
Capital Projects Fund

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
Year Ended December 31, 1997

Revenues:	
Interest	\$ 22,348
Expenditures:	
Professional fees	41,379
Construction costs	28,000
Industrial property maintenance	7,000
Insurance	1,825
Administrative costs	<u>81</u>
total expenditures	<u>127,614</u>
Deficiency of revenues over expenditures	(105,266)
Other financing sources (uses):	
General obligation bond proceeds	1,210,000
operating transfers out	<u>(182,800)</u>
Total other financing sources (uses)	<u>1,027,200</u>
Excess of revenues and other financing sources over expenditures and other financing uses	
	921,934
Fund balance, beginning	
	<u>0</u>
Fund balance, ending	
	\$ 921,934
	*****

#### AGENCY FUNDS

To account for assets held by banks in a trustee capacity for the Authority. These funds are used to account for leases and related receipts from lessees as well as bond, interest and related payments made to the holders of industrial development revenue bonds issued by the Authority.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY  
Agency Fund

Combining Balance Sheet  
December 31, 1997

	1997-2000 Bonds	1997 Construction Bonds	Advanced Payment Bonds	1997 Company of Bonds	Five Year Lease	Total
<b>ASSETS</b>						
Cash	\$ -	\$ -	\$ 1,758	\$ 14,829	\$ -	\$ 16,587
Investments	-	39,791	2,158,564	-	-	2,198,355
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 39,791</b>	<b>\$ 2,160,322</b>	<b>\$ 14,829</b>	<b>\$ -</b>	<b>\$ 2,195,952</b>
<b>LIABILITIES</b>						
amounts due to bondholders and lessees	\$ -	\$ 39,791	\$ 2,158,762	\$ 14,029	\$ -	\$ 2,192,602

Combining Statement of Changes in Assets and Liabilities  
Year Ended December 31, 1997

	1997-2000 Bonds	1997 Construction Bonds	Advanced Payment Bonds	1997 Company of Bonds	Five Year Lease	Total
<b>ASSETS</b>						
Cash, January 1	\$ -	\$ -	\$ 1,811	\$ 28	\$ -	\$ 1,839
Investments, January 1	-	-	2,128,555	-	-	2,128,555
	-	-	2,130,366	28	-	2,130,664
<b>ADDITIONS:</b>						
Lease payments received	10,486	178,789	-	258,680	103,421	651,376
Interest earned	-	-	19,496	-	-	19,496
Other 1997/98	-	-	-	-	-	-
	10,486	178,789	19,496	258,680	103,421	651,376
<b>DEDUCTIONS:</b>						
Bonds paid and redeemed	-	104,880	-	95,000	-	199,880
Bond interest paid	10,486	2,779	199,100	143,254	188,431	543,649
Other payments	19,034	100,000	186,366	161,886	100,000	667,326
	29,520	207,659	385,466	399,140	288,431	1,300,215
<b>Cash, December 31</b>	<b>-</b>	<b>-</b>	<b>1,758</b>	<b>14,829</b>	<b>-</b>	<b>16,587</b>
<b>Investments, December 31</b>	<b>-</b>	<b>39,791</b>	<b>2,158,564</b>	<b>-</b>	<b>-</b>	<b>2,198,355</b>
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 39,791</b>	<b>\$ 2,160,322</b>	<b>\$ 14,829</b>	<b>\$ -</b>	<b>\$ 2,195,952</b>
<b>LIABILITIES</b>						
Amounts due to bondholders and lessees, January 1	\$ -	\$ -	\$ 2,158,762	\$ 28	\$ -	\$ 2,158,822
<b>ADDITIONS:</b>						
Lease payments	10,486	178,789	19,496	258,680	103,421	671,071
Interest	19,034	100,000	199,100	161,886	100,000	680,020
<b>amounts due to bondholders and lessees, December 31</b>	<b>\$ -</b>	<b>\$ 39,791</b>	<b>\$ 2,158,762</b>	<b>\$ 14,829</b>	<b>\$ -</b>	<b>\$ 2,193,402</b>

**GENERAL FIXED ASSETS ACCOUNT GROUP**

to account for fixed assets of the Authority.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Comparative statements of General Fixed Assets  
December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
General fixed assets, at cost:		
Land	\$148,785	\$148,785
Equipment	<u>252,159</u>	<u>258,622</u>
total general fixed assets	\$399,944	\$407,407
	*****	*****
Investment in general fixed assets:		
Property acquired from -		
General Fund revenues	\$298,837	\$215,539
Industrial Development Board	<u>45,218</u>	<u>48,238</u>
Total investment in general fixed assets	\$344,055	\$263,777
	*****	*****

LACONTE ECONOMIC DEVELOPMENT AUTHORITY

Statement of Changes in General Fixed Assets  
 Year Ended December 31, 1997

	<u>Land</u>	<u>Equipment</u>	<u>Total</u>
General fixed assets, beginning	\$345,744	\$224,443	\$570,187
Additions	-	24,743	24,743
Deletions	<u>-</u>	<u>-</u>	<u>-</u>
General fixed assets, ending	\$345,744	\$249,186	\$594,930

INTERNAL CONTROL, COMPLIANCE

AND

OTHER SALES INFORMATION





Independent Auditor's Report  
 1000 Lakeside Drive  
 Suite 2000  
 Lafayette, Louisiana 70501  
 Telephone: (504) 485-1100  
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 Facsimile: (504) 485-1100

**Darnall, Silkes  
& Frederick**

An Equal Opportunity Employer M/F/H/V

**Independent Auditor's Report on Compliance and  
 an Internal Control over Financial  
 Reporting based on an Audit of General  
 Purpose Financial Statements Performed in  
 Accordance with Government Auditing Standards**

Chairman of the Board, Dr. Patricia Castellani  
 and Members of the Board of Commissioners  
 Lafayette Economic Development Authority  
 Parish of Lafayette, Louisiana

4/18/98  
 2000 Lakeside Drive  
 Suite 2000  
 Lafayette, Louisiana 70501

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04/18/98

We have audited the general purpose financial statements of the Lafayette Economic Development Authority of the Parish of Lafayette, Louisiana, a component unit of the Lafayette Consolidated Government, as of and for the year ended December 31, 1997, and have issued our report thereon dated April 18, 1998. We have conducted our audit in accordance with generally accepted auditing standards, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Lafayette Economic Development Authority of the Parish of Lafayette, Louisiana'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 determination of general purpose 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 Economic Development Authority of the Parish of Lafayette, Louisiana'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

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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 noted no matters involving the internal control over financial reporting and its operation that we considered to be material weaknesses.

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

*Darnall, Silby & Frederick*

A Corporation of Certified Public Accountants

LaBeyette, Louisiana  
April 10, 1988

OTHER SUPPLEMENTARY INFORMATION

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Industrial Development Revenue Bonds  
 Issued and Outstanding  
 December 31, 1987

	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Outstanding December 31, 1987</u>
Metal Improvement Company, Inc.	06/01/81	\$ 1,300,000	\$ 1,300,000
H & S Construction Company, Inc.	07/02/83	2,800,000	2,800,000
Advanced Polymer Systems, Inc.	12/01/80	3,000,000	2,000,000
Holt Company of Louisiana	08/01/80	4,500,000	3,500,000
The Lora Company, S.L.C.	01/22/87	7,500,000	7,500,000
		<u>\$18,100,000</u>	<u>\$16,620,000</u>
		*****	*****

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Compensation Paid to Members of the Board of Commissioners

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

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Summary of Corrective Action Taken on Prior Year Findings

There were no prior year findings.