

**LAFAYETTE ECONOMIC
DEVELOPMENT AUTHORITY**

Financial Report

Year Ended December 31, 2003

Under provisions of the law this report is a public document. A copy of the report has been submitted to the clerk and other appropriate public officials. The report is available for public inspection at the Mass. House office of the Legislative Auditor and, where appropriate, at the office of the clerk of court.

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(a Corporation of Certified Public Accountants)

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INDEPENDENT AUDITORS' REPORT

Chairman of the Board, William S. Kaplan
and Members of the Board of Commissioners
Lafayette Economic Development Authority
Parish of Lafayette, Louisiana

We have audited the accompanying basic 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 years ended December 31, 2003 and 2002, as listed in the table of contents. These basic financial statements are the responsibility of the Lafayette Economic Development Authority's management. Our responsibility is to express an opinion on these basic financial statements based on our audits.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Lafayette Economic Development Authority, as of December 31, 2003 and 2002, and the results of its operations for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Raymond H. Oswald, CPA
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Senior CPAs
Raymond H. Oswald, CPA
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LEDA, adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis-For State and Local Governments*; Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis-for State and Local Governments: Omnibus*; and Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, as of January 1, 2001. This results in a change in the format and content of the basic financial statements.

In accordance with Government Auditing Standards, we have also issued a report dated April 28, 2004, 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. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audits.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements as the Lafayette Economic Development Authority. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The Management's Discussion and Analysis on pages 3 through 8, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express an opinion on it.

Overholt, Sides & Associates

A Corporation of Certified Public Accountants

Lafayette, Louisiana

April 28, 2004

Management's Discussion and Analysis

As management of the Lafayette Economic Development Authority, we offer readers of the Lafayette Economic Development Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended December 31, 2003.

Financial Highlights

- The assets of the Lafayette Economic Development Authority exceeded its liabilities at the close of the fiscal year ended December 31, 2003 by \$7,234,813 (net assets). Of this amount, \$2,618,333 (restricted net assets) may be used in case of the Authority's ongoing obligations to creditors.
- The Authority's total net assets increased by \$102,837. This increase is substantially attributed to an excess of revenues over expenditures of \$96,612, and a decrease in debt of \$46,428.
- As of the close of the current fiscal year, the Authority's governmental funds reported combined ending fund balances of \$7,179,906, an increase of \$226,488 in comparison with the prior year. Approximately half of this total amount, \$3,736,381 is available for spending at the government's discretion (unreserved fund balances).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$1,883,343. This amount is available for future general government expenditures.
- The Authority's total debt decreased by \$46,428 during the current fiscal year. The key factor in this decrease was the payment of principal on long-term debt in the amount of \$73,869.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Lafayette Economic Development Authority's basic financial statements. The Authority's basic financial statements are comprised of three components: 1) Government-wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to the Financial Statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The Government-wide Financial Statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business.

The Statement of Net Assets presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *Statement of Activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the *Government-wide Financial Statements* distinguish functions of the Lafayette Economic Development Authority that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through charges (business-type activities). The governmental activities of the Authority include general government expenses incurred in the Authority's mission of facilitating economic growth in Lafayette parish, the sale of land in the four industrial parks owned by the Authority, and the interest portion of the Authority's semi-annual payments on outstanding Taxable Certificates of Indebtedness. The Authority had no business-type activities to report.

The *Government-wide Financial Statements* can be found on pages 9 and 10 of this report. The *Governmental Fund Financial Statements* can be found on pages 11, 12, and 13 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been aggregated for specific activities or objectives. The Lafayette Economic Development Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Authority can be divided into two categories: *governmental funds* and *fiduciary funds*.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the *Government-wide Financial Statements*. However, unlike the *Government-wide Financial Statements*, *Governmental Fund Financial Statements* focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the form of governmental funds is narrower than that of the *Government-wide Financial Statements*, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the *Government-wide Financial Statements*. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the *Governmental Funds Balance Sheet* and the *Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances* provided a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Authority maintains three individual governmental funds. Information is presented separately in the *Governmental Fund Balance Sheet* and in the *Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances* for the general fund, the capital projects (Business-Park Expansion or Attraction) fund, and the capital projects (Building Maintenance) fund. The general fund is considered by the Authority to be its major fund.

The Lafayette Economic Development Authority adopts an annual budget for its general fund. A budgetary comparative statement has been provided for the general fund to demonstrate compliance with this budget.

Fiduciary Funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the Government-wide Financial Statement because the resources of these funds are not available to support the Authority's own programs.

The basic *Fiduciary Fund Financial Statements* can be found on pages 15 and 16 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements. The notes to the financial statements can be found on pages 17 through 19 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Lafayette Economic Development Authority, assets exceeded liabilities by \$7,284,811 at the close of the most recent fiscal year.

The largest portion of the Authority's net assets (41 percent) reflects its inventory of land held for resale in the Authority's four industrial parks less any related debt used to acquire the land that is still outstanding. The Lafayette Economic Development Authority owns and operates four industrial parks, all of which are located in Lafayette parish. The Authority actively recruits firms located outside of Louisiana to relocate to this area. The Authority also facilitates retention and expansion of existing firms by offering a place for expansion.

Lafayette Economic Development Authority Net Assets

	Government Activities	
	2001	2002
Current and other assets	\$5,852,552	\$ 5,588,125
Noncurrent assets	4,528,496	4,626,626
Total assets	8,381,048	8,214,751
Long-term liabilities outstanding	884,432	974,382
Other liabilities	211,802	178,383
Total liabilities	1,096,234	1,152,665
Net assets		
Invested in capital assets	1,808,461	1,952,352
Restricted for inventory of land for resale	3,458,035	3,464,674
Restricted for debt service	170,808	145,808
Unrestricted	2,815,713	2,287,458
Total net assets	\$7,286,811	\$ 7,862,288

At the end of the current fiscal year, the Authority is able to report a positive balance in net assets. The same is true for the prior fiscal year.

Governmental Activities. Governmental activities increased the Authority's net assets by \$192,517. Key elements of this increase are as follows:

**Lafayette Economic Development Authority
Changes in Net Assets**

	<u>Government Activities</u>	
	<u>2005</u>	<u>2007</u>
Revenues:		
Program Revenues:		
Sale of land	\$21,500	-
Sale of fixed assets		180
General Revenues:		
Ad valorem taxes	1,550,779	1,521,993
Intergovernmental	181,265	181,267
Unrestricted investment earnings	41,875	81,794
Miscellaneous	2,068	10,263
Total revenues	1,775,627	1,795,317
Expenses:		
General government	1,417,042	1,152,574
Cost of land sold & asset disposals	59,261	4,389
Interest on long-term debt	94,582	75,290
Total expenses	1,570,885	1,232,253
Increase (Decrease) in net assets	192,527	555,493
Net assets - beginning	7,062,284	6,506,787
Net assets - ending	\$7,254,811	\$ 7,062,284

- Sale of land increased by \$21,500. In the current fiscal year there was one sales transaction compared to none in the prior year.
- Ad valorem taxes increased by \$28,779 due to an increase in the taxable property valuation in 2007 by the Lafayette Parish Assessor.
- Unrestricted investment earnings decreased by \$37,908 due to lower Treasury bill rates.
- General Government expenses increased by \$284,149. Salaries, taxes and benefits increased over \$70,809 due to filling vacant positions and replacing part-time employees with full-time. The Authority made a \$170,800 contribution to the P.E.R. System. The Authority also participated in two separate advertising campaigns costing approximately \$17,000.

Financial Analysis of Government's Funds

As noted earlier, the Lafayette Economic Development Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Authority's governmental funds is to provide information on resources inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Authority's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Lafayette Economic Development Authority's Governmental Funds reported combined ending fund balances of \$7,179,993, an increase of \$236,458 in comparison with the prior year. Approximately half of the amount, \$3,758,181, constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it is already committed.

The general fund is the chief operating fund of the Lafayette Economic Development Authority. At the end of the current fiscal year, unreserved fund balance of the general fund was \$1,883,343, while total fund balance reached \$2,816,838. As a measure of the general funds liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Both unreserved fund balance and total fund balance represent just under 100 percent of total general fund expenditures.

The fund balance of the Lafayette Economic Development Authority's general fund increased by 996,612 during the current fiscal year. Key factors for the net increase are as follows:

- An increase in the all valorem taxes of \$26,777 due to the increase in taxable property valuations.
- General government expenditures in the general fund were approximately \$90,596 less than budgeted.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget can be summarized as follows:

- \$60,658 increase in general government expenditures

The \$60,658 increase in general government expenditures in the final amended budget was funded by a \$60,658 transfer from unreserved fund balance.

Capital Asset and Debt Administration

Capital Assets. The Lafayette Economic Development Authority's investment in capital assets for its governmental activities as of December 31, 2005 amounts to \$1,108,461 (net of accumulated depreciation). This investment in capital assets includes a building, improvements, equipment, and furniture and fixtures. The total decrease in the Authority's investment in capital assets (net of accumulated depreciation) for the current fiscal year was 9 percent.

Major capital asset events during the current fiscal year included the following:

- Computer equipment and software including server upgrades, computers, and upgrades to office workstations were acquired at a cost of \$23,183.
- Surplus equipment with a cost of \$923 net of accumulated depreciation was sold in 2005 via public bid.

Additional information on the Lafayette Economic Development Authority's capital assets can be found in Note 1 on page 19 of this report.

Long-Term Debt. At the end of the current fiscal year, the Authority had outstanding Taxable Certificates of Indebtedness in the amount of \$813,000 of which \$813,000 is classified as long-term debt. The entire amount is secured by and payable solely from a dedication and pledge of the revenues to be derived from the levy of the ad valorem taxes authorized to be levied.

The Authority's total debt decreased by \$46,428 during the current fiscal year. The key factor in this decrease was a \$75,000 principal payment of the Taxable Certificate of Indebtedness.

Additional information on the Authority's long-term debt can be found in footnote 7 on pages 25 and 26 of this report.

Economic Factors and Next Year's Budget

- The unemployment rate for the Lafayette Parish in October 2005 was 3.4 percent, which is a decrease from a rate of 4.2 percent a year ago. This compares favorably to the state's average unemployment rate for the month of October 2005 of 3.4 percent and the national average rate for October 2005 of 6.8 percent.
- Inflationary trends in the region compare favorably to national indices.

These factors were considered in preparing the Lafayette Economic Development Authority's budget for the 2006 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the Lafayette Economic Development Authority's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Gregg Godwin, President and CEO, Lafayette Economic Development Authority, 211 East Development Street, Lafayette, Louisiana, 70506.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Statement of Net Assets
December 31, 2005

	<u>2005</u>
ASSETS	
Current assets:	
Cash	\$ 2,258,147
Restricted cash	134,000
Prepaid expenditures	6,683
Due from State of Louisiana	12,109
Receivable - taxes (net of allowance for uncollectible)	<u>1,475,318</u>
Total current assets	<u>3,886,257</u>
Noncurrent assets:	
Inventory of land held for resale	3,408,835
Capital assets, net of accumulated depreciation	<u>1,100,461</u>
Total noncurrent assets	<u>4,509,296</u>
Total assets	<u>8,395,553</u>
LIABILITIES	
Current liabilities:	
Accounts payable	26,845
Other current liabilities	111,877
Current portion of bonds payable	<u>80,000</u>
Total current liabilities	<u>218,722</u>
Noncurrent liabilities:	
Bonds payable	875,080
Compensated absences	<u>8,631</u>
Total noncurrent liabilities	<u>883,711</u>
Total liabilities	<u>1,102,433</u>
NET ASSETS	
Invested in capital assets	1,600,461
Restricted	
Inventory of land held for resale	3,408,835
Cash restricted for debt service	134,000
Unrestricted	<u>2,652,313</u>
Total net assets	<u>\$ 7,254,811</u>

The accompanying notes are an integral part of this statement.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Statement of Activities
For the Year Ended December 31, 2003

Function/Programs	Expenses	Program	Net (Expense)
		Revenue	Revenue and Changes in Net Assets
		Charges	Developmental Activities
Government Activities:			
General government	\$ 1,417,843	\$ -	\$ (1,417,843)
Cost of land sold and asset disposals	58,261	22,580	(35,681)
Issuance of long-term debt	54,583	-	(54,583)
Total governmental activities	1,530,687	22,580	(1,508,107)
General revenues:			
Ad valorem taxes			1,536,729
Intergovernmental			181,746
Unrestricted investment earnings			69,876
Miscellaneous			2,589
Total general revenues			1,791,940
Change in net assets			283,833
Net assets-beginning			2,062,194
Net assets-ending			\$ 2,346,027

The accompanying notes are an integral part of this statement.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Balance Sheet
Governmental Funds
Year Ended December 31, 2001

	General	Capital Project (Business/Park Expansion or Amendment)	Capital Project (Building Maintenance)	Total Governmental Funds
ASSETS				
Cash	\$ 1,177,094	\$ 898,420	\$ 71,241	\$ 2,146,755
Restricted cash	108,889	-	-	108,889
Prepaid expenditures	6,485	-	-	6,485
Due from State of Louisiana	12,269	-	-	12,269
Receivables - items/par of allowance for non-collectibles	1,475,246	-	-	1,475,246
Inventory of land held for sale	-	1,408,011	-	1,408,011
Total assets	\$ 2,807,714	\$ 4,306,431	\$ 71,241	\$ 7,185,386
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$ 29,048	\$ -	-	\$ 29,048
Other accrued liabilities	29,111	-	-	29,111
Total liabilities	\$ 58,159	\$ -	\$ -	\$ 58,159
Fund balances:				
Reserved for:				
Inventory of land held for sale	-	1,408,011	-	1,408,011
Prepaid expenditures	6,485	-	-	6,485
Unreserved, reported in:				
General fund	1,601,142	-	-	1,601,142
Capital projects funds	-	998,011	71,241	969,252
Total fund balances	\$ 1,601,142	\$ 998,011	\$ 71,241	\$ 2,670,394
Total liabilities and fund equity	\$ 2,807,714	\$ 4,306,431	\$ 71,241	

Amount reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	\$ 1,398,060
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	(1,000,000)
Net assets of governmental activities	\$ 2,258,354

The accompanying notes are an integral part of this statement.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds

For the Year Ended December 31, 2000

	<u>General</u>	<u>Capital Project (Business Park Expansion or Attraction)</u>	<u>Capital Projects (Building Maintenance)</u>	<u>Total Governmental Funds</u>
Revenues:				
Taxes - all various	\$ 1,558,729	\$ -	\$ -	\$ 1,558,729
Intergovernmental	101,796	-	-	101,796
Sale of land	-	22,900	-	22,900
Miscellaneous	58,281	11,860	1,094	71,235
Total revenues	<u>1,688,756</u>	<u>35,560</u>	<u>1,094</u>	<u>1,725,410</u>
Expenditures:				
Current:				
General government	1,260,827	8,879	2,641	1,272,347
Capital outlay	24,729	-	13,758	38,487
Cost of land sold	-	58,209	-	58,209
Data service	(32,888)	-	-	(32,888)
Total expenditures	<u>1,417,148</u>	<u>67,088</u>	<u>16,409</u>	<u>1,496,645</u>
Excess of revenues over expenditures	<u>271,612</u>	<u>(31,528)</u>	<u>(14,715)</u>	<u>225,369</u>
Other financing sources (uses):				
Transfers in	-	160,000	15,800	175,800
Transfers out	(175,800)	-	-	(175,800)
Total other financing sources (uses)	<u>(175,800)</u>	<u>160,000</u>	<u>15,800</u>	<u>-</u>
Excess of revenues and other sources over expenditures and other uses	<u>95,812</u>	<u>128,472</u>	<u>281</u>	<u>224,565</u>
Fund balances, beginning	2,713,416	4,158,347	71,629	6,943,412
Fund balances, ending	<u>\$ 2,809,228</u>	<u>\$ 4,286,819</u>	<u>\$ 71,910</u>	<u>\$ 7,167,957</u>

The accompanying notes are an integral part of this statement.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Reconciliation of the Statement of Revenues, Expenditures,
And Changes in Fund Balance of Governmental Funds
To the Statement of Activities

For the Year Ended December 31, 2003

Amounts reported for governmental activities in the statement of activities are different because:	<u>2003</u>
Net change in fund balances-total governmental funds	\$ 128,488
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	(68,168)
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each disposal. This is the amount of the loss on the disposal of fixed assets.	(912)
Some expense reported in the Statement of Activities, such as compensated absences and retirement plan, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(47,271)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.	<u>73,089</u>
Changes in net assets of governmental activities	<u>\$ 183,227</u>

The accompanying notes are an integral part of this statement.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance-
Budget to Actual

For the Year Ended December 31, 2003

	Budgeted Amounts		Actual Amounts	Variances with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 1,488,080	\$ 1,488,080	\$ 1,593,729	\$ 105,649
Intergovernmental	106,080	106,080	181,748	75,668
Miscellaneous	36,080	36,080	35,281	(799)
Total revenues	<u>1,630,240</u>	<u>1,630,240</u>	<u>1,810,758</u>	<u>179,518</u>
Expenditures:				
Current:				
General government	1,292,488	1,315,658	1,282,827	32,831
Capital outlay	25,000	25,000	24,739	261
Debt service	112,800	122,800	129,582	6,782
Total expenditures	<u>1,440,288</u>	<u>1,463,458</u>	<u>1,437,148</u>	<u>26,310</u>
Excess of revenues over expenditures	175,000	164,350	273,610	109,260
Other financing acts:				
Operating transfers out	<u>(175,000)</u>	<u>(175,000)</u>	<u>(175,000)</u>	<u>-</u>
Excess of revenues over expenditures and other acts	<u>-</u>	<u>89,350</u>	<u>98,610</u>	<u>9,260</u>
Fund balance, beginning	2,713,416	2,703,416	2,713,416	-
Fund balance, ending	<u>\$ 2,713,416</u>	<u>\$ 2,651,766</u>	<u>\$ 2,618,026</u>	<u>\$ (33,690)</u>

The accompanying notes are an integral part of this statement.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Statement of Fiduciary Net Assets
December 31, 2003

	<u>2003</u>
ASSETS	
Cash	\$ 2,391
Investments, at cost	1,207,990
Total assets	<u>\$ 1,210,381</u>
LIABILITIES	
Amounts due bondholders and lessees	<u>\$ _____</u>
NET ASSETS	
Held in trust for payments to bondholders and lessees	<u>\$ 1,208,179</u>

The accompanying notes are an integral part of this statement.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Statement of Changes in Fiduciary Net Assets
For the Year Ended December 31, 2005

ADDITIONS	
Contributions	
Lease payments received	\$ 2,007,552
Total contributions	<u>2,007,552</u>
Investment earnings	
Interest	76,215
Total investment earnings	<u>76,215</u>
Total additions	<u>2,083,767</u>
DEDUCTIONS	
Bonds paid and redeemed	186,500
Fixed interest paid	<u>2,178,099</u>
Total deductions	<u>2,364,599</u>
Change in net assets	(128,281)
Net assets - beginning	<u>1,458,532</u>
Net assets - ending	<u>\$ 1,330,251</u>

The accompanying notes are an integral part of this statement.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Notes to Financial Statements

NOTE 1 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 24:291-24:302. 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 appurtenances, 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 located 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 24:503, as well as any applicable requirements set forth by *Audit 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*.

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, 2000, there were no entities that met the criteria to be considered a component unit of the Authority.

The following is a summary of certain significant accounting policies:

Government-wide and Fund Financial Statements

The government-wide financial statements report information on all of the non-fiduciary activities. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include proceeds received from the sale of land inventory. Taxes and other items not properly included among program revenues are reported instead as general revenues.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Wide and Fund Financial Statements (continued)

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. All individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues in the year for which they are levied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. For this purpose, the government considers revenues to be available if they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

All valorem taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

All valorem 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.

The government reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *capital projects fund* accounts for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonspendable trust funds.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Additionally, the government reports the following fund types:

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 loans and related receipts from borrowers as well as bond, interest, and related payments made to bondholders for industrial development revenue bonds issued by the Authority.

Amounts reported as program revenues include proceeds from the sale of land inventory. General revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$250 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Donated assets are immaterial.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

Property, plant, and equipment is depreciated using the straight line method over the following estimated useful lives:

Asset	Years
Buildings	39
Building improvements	39
Office equipment	5-7
Computer equipment	3-5

Inventory of Land Held-for-Sale

The inventory of land held-for-sale 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 expendable resources," even though it is a component of net current assets.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advance to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

The ad valorem tax receivable is shown net of an allowance for uncollectibles. The ad valorem tax receivable allowance is equal to 2.00% of levied ad valorem taxes as of December 31, 2003.

Vacation, Sick Leave, and Pension Plan

Vacation varies with longevity as follows:

<u>Serving 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 may be accrued and be carried over into the next calendar year and paid upon termination. Vacation pay is accrued when incurred in the government-wide financial statements.

Sick leave accrues at the rate of 1/3 day per month beginning after 3 months of service with a 30-day maximum per year. Sick leave is available for employees. Upon termination, either voluntary or involuntary, all accrued sick time will be forfeited. Sick leave is not recorded in these financial statements except for \$4,815, which is included in the balance of \$9,415. This amount is attributable to one employee who is grandfathered under an old vacation policy.

All employees are members of the social security system. Social security contributions for 2001 and 2002 totaled \$41,090 and \$37,869, respectively.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Medical, Sick Leave, and Pension Plan (continued)

The Authority established a retirement program for employees, effective February 28, 1987, through the American Chamber of Commerce Executives Association. Employees are eligible after completing one year of service and becoming 21 years of age. The Authority's annual contribution is 8% of base salary. The 2000 contribution was \$35,596 and for 2002 the contribution was \$24,176.

Participants may contribute up to 10% of their earnings per year. Such contributions are 100% vested at the time of contribution. Full vesting of the Authority's contribution occurs after 6 years of participation. Participants vest at the rate of 20% per year beginning in the second year of participation. Forfeitures are returned to the Authority within one year of a participant's service break.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds except the capital projects funds. 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 must be approved by the Lafayette Consolidated Council. All annual appropriations lapse at year-end.

Long-term obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at 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.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Cash

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

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets:

The governmental fund balance sheet includes a reconciliation between fund balance-total governmental funds and net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this \$1,006,331 difference are as follows:

Bonds payable	\$ 915,000
Compensated absences	9,410
Pension plan liability	____32,118
Net adjustment to reduce fund balance- total governmental funds to arrive at net assets- governmental activities	\$1,006,331

NOTE 3 EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

The governmental fund statement of revenues, expenditures, and changes in fund balance includes a reconciliation between net changes in fund balance-total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this \$60,768 difference are as follows:

Depreciation expense	\$ (60,768)
Capital outlay	____38,217
Net adjustment to decrease net changes in Fund balance-total governmental funds To arrive at changes in net assets of governmental activities	\$100,768

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Notes to Financial Statements

NOTE 3 EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES (CONTINUED)

Another element of that reconciliation states that "the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of insurance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." These details of the \$75,000 difference are as follows:

Principal repayments General Obligation debt	\$ 75,000
Net adjustment to decrease net changes in fund balances-total governmental funds to arrive at changes in net assets of governmental activities	\$ 75,000

NOTE 4 CASH AND INTEREST-BEARING DEPOSITS

Under state law, the Authority may deposit funds within a fiscal agent 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. At December 31, 2003 and 2002, the Authority has cash and interest-bearing deposits (bank balances) totaling \$2,348,142 and \$2,278,086, respectively, as follows:

	<u>2003</u>
Demand deposits	<u>\$ 2,348,142</u>

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)

	<u>2003</u>	<u>2002</u>
Bank balances	<u>\$ 2,348,142</u>	<u>\$ 2,278,086</u>

at December 31, 2003 and 2002, are as follows:

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Notes to Financial Statements

NOTE 4 CASH AND INTEREST-BEARING DEPOSITS (CONTINUED)

At December 31, 2003 and 2002, the deposits are accrued as follows:

	2003	2002
Federal deposit insurance	\$ 200,000	\$ 200,000
Pledged securities (Category 3)	<u>2,796,732</u>	<u>2,616,732</u>
Total federal deposit insurance and pledged securities	<u>\$ 2,996,732</u>	<u>\$ 2,816,732</u>

Pledged securities in Category 3 are comprised of uninsured 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 59:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Authority that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 5 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 actually 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 recorded net of deductions for Assessor's compensation and pension fund contributions.

For the years ended December 31, 2003 and 2002, taxes were levied at the rate of 1.52 mills for general corporate purposes on property with assessed valuations totaling \$1,155,864,667 and \$1,263,969,645, respectively, less homestead exemptions of \$275,859,830 and \$285,298,716, respectively.

The allowance for uncollectible receivables at December 31, 2003 and 2002 is \$19,810 and \$45,755, respectively.

Net revenue from ad valorem taxes represent 98% and 96% of total revenues, excluding other financing sources, at December 31, 2003 and 2002, respectively.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Notes to Financial Statements

NOTE 6 CAPITAL ASSETS

A summary of general fixed assets follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, being depreciated:				
Buildings	\$ 987,337	\$ -	\$ -	\$ 987,337
Equipment and Furniture	158,755	38,535	(21,488)	175,792
Total capital assets being depreciated	1,146,092	38,535	(21,488)	1,163,139
Less accumulated depreciation for:				
Buildings	75,948	28,535	-	104,483
Equipment and Furniture	181,281	71,260	(21,568)	230,973
Total accumulated depreciation	257,229	99,795	(21,568)	335,456
Total capital assets, being depreciated, net	\$ 888,863	\$ 138,740	\$ (43,056)	\$ 981,547

NOTE 7 LONG-TERM DEBT

On April 17, 1997, the State Bond Commission approved the Lafayette Economic Development Authority to incur debt and borrow the amount of \$1,570,000 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 thereto, and to pay the costs incurred in connection with the issuance of the Certificates. The Certificates are dated May 1, 1997 and bear interest at a rate of 7.25% per annum, payable on May 1 and November 1 of each year, commencing November 1, 1997, and maturing on May 1 in each of the years 1998 through 2012. With approval from the State Bond Commission, effective August 1, 2001, the Certificates were amended to bear interest at a rate of 5.5%.

Annual debt service requirements to maturity for the Certificates of Indebtedness, including interest of \$261,113 are as follows:

December 31,	
2004	\$ 138,325
2005	138,788
2006	139,315
2007	139,888
2008	151,587
Thereafter	157,750
Total	\$ 1,119,653

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Notes to Financial Statements

NOTE 7 LONG-TERM DEBT (CONTINUED)

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

	Balance 07/08/05	Additions	Deletions	Balance 12/31/2007
Obligation under long-term bonds	\$ 1,618,080	\$ -	\$ 75,860	\$ 1,542,220
Compensated absences	14,282	-	4,847	9,435
Total	<u>\$ 1,632,362</u>	<u>\$ -</u>	<u>\$ 80,707</u>	<u>\$ 1,551,655</u>

The Authority issues industrial development revenue bonds for the purpose of financing the acquisition of certain industrial facilities, which it leases or sells to 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, 2007 is shown on page 33-34.

NOTE 8 LITIGATION

There was no litigation pending against the Authority as of December 31, 2007.

NOTE 9 OPERATING TRANSFERS IN/OUT

	Transfers In	Transfer Out
General Fund	\$ -	\$ 175,000
Capital Projects Fund	<u>175,000</u>	<u>-</u>
	<u>\$ 175,000</u>	<u>\$ 175,000</u>

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Notes to Financial Statements

NOTE 10 OPERATING LEASE

On January 1, 1999 the Authority entered into an agreement under a non-cancelable operating lease. The 36-year lease provides for two renewal options at the end of the lease, each for a ten-year period. The agreement calls for an irrevocable transfer of property owned by the Authority, as well as annual payments of \$17,000 per year during the primary term of the lease. Future minimum lease payments for the lease are as follows:

December 31,	
2004	\$ 21,000
2005	21,000
2006	21,000
2007	21,000
2008	21,000
Thereafter	<u>108,000</u>
	<u>\$ 158,000</u>

NOTE 11 AGREEMENT WITH CINGULAR WIRELESS LLC

During 2002, LEDA entered an agreement with Cingular Wireless LLC, whereby LEDA issued revenue Bonds in an amount agreed to by LEDA and Cingular for an amount up to \$10,000,000 and to expend the proceeds to finance the acquisition, construction, and installation of a facility (the Project) for Cingular to house a customer support center in Lafayette, Louisiana.

Upon delivery of the Bonds and receipt of the proceeds, LEDA acquired the Project from Cingular and subsequently leased the Project to Cingular. Cingular's obligation is to make payments under the agreement sufficient to enable the payment of the principal and interest on the Bonds as well as paying agent fees, trustee's fees, and all other costs and charges in connection with the servicing of the Bonds. The Bonds shall not constitute an indebtedness or pledge of the general assets of LEDA. Accordingly, neither the assets nor the related Bonds are recorded on LEDA's books.

INTERNAL CONTROL, COMPLIANCE
- AND
OTHER INFORMATION



(A Corporation Certified Public Accountant)

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

**Chairman of the Board, William S. Kaplan
and Members of the Board of Commissioners
Lafayette Economic Development Authority
Parish of Lafayette, Louisiana**

We have audited the basic 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 years ended December 31, 2003 and 2002, and have issued our report thereon dated May 1, 2003, which we expressed an unqualified opinion. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Lafayette Economic Development Authority of the Parish of Lafayette, Louisiana's basic 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 basic financial statements and not to provide assurance on the internal control over financial reporting.

**Stephen H. Duvall, CPA, Retired (198)
Paul H. Miles, CPA, Retired (202)**

**R. Lynn Blevins, CPA, CVA, CFF[®]
Bobby F. Brodsky, CMA
Stephen H. Duvall, CPA, CVA
Stephen H. Duvall, III, CPA
Stephen M. Hightower, CPA
John P. Johnson, CPA
Amelia L. Rogers, CPA, CFP[®]
Clara S. Miller, CPA, CVA
Stephen W. Shook, CPA, CVA
James G. Stone, CPA**

OTHER PERSONS OF PCA

**Kenneth T. Emsell, CPA
Dale G. Lorenz, III, MPA, CPA
James T. Lundy, CPA
James G. Wiggins, CPA
William A. Clark, CPA
Loren F. Yarnall, CPA
Michelle B. Smith, CPA
Janis C. Wilson, CPA
David S. Young, CPA
William Lee Webb, CPA
John J. Gault, CPA
Charles H. Stone, CPA**

**OFFICE OF
JAMES H. HARRIS, JR., CPA
COMPTROLLER GENERAL**

**OFFICE OF
JAMES H. HARRIS, JR., CPA
COMPTROLLER GENERAL**

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 basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the board of commissioners and management, and is not intended to be and should not be used by anyone other than those specific parties.

Douglas Allen & Friedrich

A Corporation of Certified Public Accountants

Lafayette, Louisiana

April 28, 2004

OTHER SUPPLEMENTARY INFORMATION

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.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY
General Fund

Statement of Expenditures - Budget (GAAP Basis) and Actual
Years Ended December 31, 2009 and 2002

	2003		Variance - Favorable (Unfavorable)	2002 Actual
	Budget	Actual		
Current:				
General government:				
Salaries, taxes and benefits	\$ 618,408	\$ 616,129	\$ 22,171	\$ 557,719
Pensional retirement system	179,008	179,008	-	-
Existing business systems/expansion	27,000	24,777	2,223	28,991
Professional development	26,680	24,107	2,263	17,998
Business Recruitment	37,000	32,383	4,697	41,426
Marketing and advertising	51,000	48,885	2,115	31,873
Office operations	88,000	68,276	11,722	71,160
Industrial property maintenance	21,000	18,876	2,124	16,981
Information services	28,500	18,080	2,989	29,422
Resource Center/Technology	32,000	28,260	3,740	21,943
Trade development	5,700	6,899	1,891	18,561
Small business development	17,500	18,580	7,808	18,646
Workforce Connection Programs	21,000	28,421	4,573	22,727
Legal matters and audit	18,000	7,577	3,613	8,296
Insurance	12,000	18,485	1,214	8,021
Louisiana Public Retirement deductions	51,500	57,968	(2,668)	55,251
Professional fees	28,000	15,743	217	28,983
Governmental & U of L tuition	88,000	37,531	468	26,572
Contingencies	15,000	700	14,299	6,171
Special projects	43,000	38,581	4,899	46,533
Capital outlay:				
Equipment and furniture	21,000	24,729	271	21,063
Debt service:				
Principal	71,000	75,080	-	70,080
Interest	34,800	34,583	12	31,786
Total	\$ 1,587,633	\$ 1,467,146	\$ 95,506	\$ 1,285,722

AGENCY FUND

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 principal, 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 Sheets
December 31, 2003

	Hob Company of Louisiana	Advanced Polymer Systems	University of Louisiana at Lafayette Foundation	Cingular Project Series 2001
ASSETS				
Cash	\$ -	\$ 1,281	\$ -	\$ -
Investments	<u>43,278</u>	<u>1,231,247</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 43,278</u>	<u>\$ 1,233,528</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES				
Amounts due to bondholders and lenders	<u>\$ 43,278</u>	<u>\$ 1,233,528</u>	<u>\$ -</u>	<u>\$ -</u>

Combining Statements of Changes in Assets and Liabilities
Year Ended December 31, 2003

ASSETS				
Cash, January 1	\$ -	\$ 1,289	\$ -	\$ -
Investments, January 1	<u>56,764</u>	<u>1,194,170</u>	<u>-</u>	<u>-</u>
	<u>56,764</u>	<u>1,195,459</u>	<u>-</u>	<u>-</u>
Additions:				
Lease payments received	182,347	-	94,180	1,610,800
Interest earned	<u>-</u>	<u>79,089</u>	<u>-</u>	<u>-</u>
	<u>182,347</u>	<u>79,089</u>	<u>94,180</u>	<u>1,610,800</u>
Deductions:				
Bonds paid and redeemed	153,800	-	55,080	-
Fiscal interest paid	<u>86,833</u>	<u>799,098</u>	<u>39,180</u>	<u>1,618,080</u>
	<u>140,633</u>	<u>799,098</u>	<u>94,260</u>	<u>1,618,080</u>
Cash, December 31	<u>-</u>	<u>2,230</u>	<u>-</u>	<u>-</u>
Investments, December 31	<u>43,278</u>	<u>1,231,247</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 43,278</u>	<u>\$ 1,233,528</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES				
Amounts due to bondholders and lenders, January 1	\$ 56,764	\$ 1,255,419	\$ -	\$ -
Additions	182,347	79,089	94,180	1,610,800
Deductions	<u>(195,833)</u>	<u>(1,099,080)</u>	<u>(99,680)</u>	<u>(1,618,080)</u>
Amounts due to bondholders and lenders, December 31	<u>\$ 43,278</u>	<u>\$ 1,233,528</u>	<u>\$ -</u>	<u>\$ -</u>

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY
Agency Fund

Combining Balance Sheets

December 31, 2003

	Tate Alley Corporation Project Series 2002A and 2002B	University of Louisiana at Lafayette Art Museum	Total
ASSETS			
Cash	\$ -	\$ -	\$ 2,281
Investments	-	20,468	1,297,293
	-	-	-
Total assets	\$ -	\$ 20,468	\$ 1,300,574
LIABILITIES			
Amounts due to bondholders and lessees	\$ -	\$ 20,468	\$ 1,300,574

Combining Statement of Changes in Assets and Liabilities
Year Ended December 31, 2003

ASSETS			
Cash, January 1	\$ -	\$ -	\$ 2,281
Investments, January 1	-	23,312	1,834,268
	-	23,312	1,836,549
Additions:			
Lease payments received	288,575	382,808	2,597,372
Interest earned	-	135	76,215
	288,575	382,943	2,673,587
Deductions:			
Bonds paid and redeemed	188,589	-	188,589
Bond interest paid	288,066	382,808	2,121,495
	288,575	382,808	2,178,088
Cash, December 31	-	-	2,281
Investments, December 31	-	20,468	1,297,293
	-	-	-
Total assets	\$ -	\$ 20,468	\$ 1,300,574
LIABILITIES			
Amounts due to bondholders and lessees, January 1	\$ -	\$ 23,312	\$ 1,434,573
Additions	288,575	382,674	2,635,197
Deductions	(288,575)	(382,678)	(2,735,000)
Amounts due to bondholders and lessees, December 31	\$ -	\$ 20,468	\$ 1,300,574

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Industrial Development Revenue Bonds
Issued and Outstanding
December 31, 2000

	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Outstanding December 31, 2000</u>
Advanced Polymer Systems, Inc.	12/01/95	1,000,000	1,000,000
Hilt Company of Louisiana	09/01/98	4,500,000	3,200,000
University of Louisiana at Lafayette Foundation	11/01/99	1,000,000	750,000
University of Louisiana at Lafayette Art Museum	09/18/02	8,500,000	8,500,000
Tata Alloy Corporation, Project Series Series 2002A and Series 2002B	12/28/02	1,200,750	2,014,191
Cingular Project Series 2001	12/31/01	<u>21,000,000</u>	<u>21,000,000</u>
		<u>\$ 41,200,750</u>	<u>\$ 39,504,191</u>

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY
Compensation Paid to Members of the Board of Commissioners
December 31, 2001 and 2002

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
December 31, 2005 and 2002

There were no prior year findings.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Schedule of Finding and Questioned Costs
Year Ended December 31, 2003

PART 1 SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Auditor's Report

An unqualified opinion has been issued on the Lafayette Economic Development Authority of the Parish of Lafayette, Louisiana's financial statements as of and for the year ended December 31, 2003.

Reportable Conditions - Financial Reporting

There were no reportable conditions.

Material Noncompliance - Financial Reporting

There were no material instances of noncompliance.

FEDERAL AWARDS

This section is not applicable.

**PART 2 FINDINGS RELATING TO AN ALERT IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS**

There were no findings.

PART 3 FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL PROGRAMS

This section is not applicable.